

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, March 31, 1975

Opening prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions: The Honourable Member for Fort Rouge.

PRESENTING PETITIONS

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I beg to present the Petition of John Donald McNairnay and Others, praying for the passing of an Act to incorporate the St. Andrew's River Heights Foundation.

MR. SPEAKER: Reading and Receiving Petitions: Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Tourism and Recreation.

TABLING OF REPORTS

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I would like to table the Annual Report of the Department of Tourism, Recreation and Cultural Affairs for the year ended March 31st, 1974.

MR. SPEAKER: Any other tabling of reports? Ministerial Statements; Notices - The Honourable Minister of Mines.

MINISTERIAL STATEMENTS

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I have a statement with regard to the spring runoff which I have just received, and which I'll read. "Participation resulting from the major spring snow storm of the past week was the heaviest in western Manitoba" - was the "heaviest" and I believe that's by location in western Manitoba. I don't think it refers to some record. "A foot of fresh snow fell on the Manitoba escarpment and in the Souris River and the middle Assiniboine River basins. Over a foot of new snow has also fallen in the Souris River basin in North Dakota, and half a foot has fallen in the Souris River basin in Saskatchewan. The Red River basin in the United States and in Manitoba received approximately half a foot of new snow except for some of the western tributaries, where a foot of new snow was reported. The Winnipeg River basin received nearly a foot of new snow. The flood forecasting committee reports that on the Assiniboine River normal further precipitation could now produce bankfull flows downstream of Miniota. Flooding is still not anticipated on the Red River. The heaviest precipitation fell on the west side of the Red River where a little snow remained prior to this storm.

"The runoff potential on the eastern tributaries of the Red River is not greatly altered since these areas received generally less than a half a foot of new snow.

"The water Resources advises that the fresh snow of the past week has raised the runoff potential of the Souris River to the point where some flooding may now be expected in the Melita, Lauder and Hartney areas with normal further precipitation.

"While the runoff potential on the Winnipeg River has increased flow conditions should still be similar to those of 1971 and 1972, much less than those of 1974.

"The Water Resources further advises that overbank flows are not anticipated on the smaller river systems such as the Boyne River, the White Mud River, or the Pembina River. However, in the Whiteshell, Whitemouth River, Brokenhead River, Fisher River, La Salle River and Virden-Reston area where possible flooding as a result of above normal spring precipitation had been indicated previously, the runoff potential has increased to the point where flooding in these areas is now likely in the event of above normal further precipitation.

"The situation concerns flood prospects in Manitoba will be kept under constant surveillance from now and throughout the breakup period and further reports will be issued should conditions change significantly."

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, we thank the Minister for providing the House with this latest information regarding the possibility of floods this coming spring. Notwithstanding all of the information that is contained in the report, the crucial question of course that will determine whether or not there are to be floods will be the weather and whether or not we have a rapid or a gradual breakup. But I wondered if the government have taken into consideration some of the difficulties that were experienced last year when

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(MR. JORGENSEN cont'd) . . . . waters rose in many areas of the province and arrangements had not been made to adequately take care of the problems that arose between the municipal and provincial governments with respect to jurisdiction when waters begin to rise. And I hope, and I understand that the government have had a series of meetings with the municipal officials, and I hope now that the problems that arose last year will not arise if the waters should reach the stage where they become dangerous and where they become a problem and flooding in those places.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Health and Social Development. I wonder if he can indicate what the policy of the government is with respect to medical treatment not available in Manitoba but required by a resident of Manitoba, as to what cost and what proportion of costs will be paid.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I believe that first of all the Commission will - the application would have to be made ahead of time. The Commission would recognize, would pay the same amount that would be paid here if the work was done by a local doctor, and I think that there is provision for a decision by the Minister in certain cases. But I would have to find out more about that.

MR. SPIVAK: Well, Mr. Speaker, I'm really referring to medical treatment which would not be available in Manitoba and would be available elsewhere, and it comes from a publication of a particular case of a young child with cancer who requires treatment outside of Manitoba. What I would want to find out from the Minister is the government's position with respect to the proportion of cost that would be absorbed by the Manitoba Health Services Commission for expenses related to treatment of something that's not available in Manitoba at the present time.

MR. DESJARDINS: Mr. Speaker, I think that my answer was correct but in view of the fact that my honourable friend is speaking of a specific case I will - in fact I've asked for an investigation of this, and I should have the information tomorrow or the next day.

MR. SPIVAK: Yes, Mr. Speaker. My question is to the Minister of Mines and Natural Resources and Environmental Management. It refers to the reference by Canada and the United States of the International Commission with respect to the Garrison. I wonder if he can indicate whether the terms of reference for the consideration by the International Joint Commission have been made available to the Province of Manitoba, and they're aware of the details of the terms of reference.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, a suggested terms of reference has been forwarded to our office by the Minister for External Affairs and has been sent back to him. The ultimate terms of reference would be prepared through that department. I am not certain that they have been concluded yet, and I would not be in a position to deal with them until they have been concluded.

MR. SPIVAK: Well, may I ask by way of a question to the Minister: I wonder if he can indicate whether the terms of reference that Manitoba would want to be considered would deal not just with the Souris loop but with reference to the Red River as well.

MR. GREEN: Yes, Mr. Speaker. By the way I said I would not be able to deal with them, I meant that I would not be able to sort of open them for public debate. I am aware of the suggested terms of reference. I've indicated to the Minister of External Affairs that the suggestions are acceptable to us, and I've sent them back. There may be further considerations that go into them before they are finalized.

MR. SPIVAK: Well again, my question is to the Minister dealing with Manitoba's position, and I realize that may not be Canada's position ultimately in terms of the references that are made to the International Joint Commission, but I wonder if he can indicate whether alternatives and modifications to the Garrison Development are to be considered, or will be considered, or recommended to be considered, by the International Joint Commission.

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MR. GREEN: Mr. Speaker, the Department of External Affairs, which I believe also represents the people of the Province of Manitoba, and although there may be arguments, I can assure the honourable member that ultimately we will support the Canadian position and we will not be sniping at it while it is being presented.

The attempt will be to have the terms of reference so framed as to be of greatest advantage to the people of the Province of Manitoba. I've assumed that the people on the other side will also want to talk about what these terms of reference are, and I am not able to state what their position will be. What I do know is that Mr. MacEachen's office is trying to frame them in such a way that will be favourable to the province and they involve the Red River and the Souris River.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Mines and Natural Resources and it refers to the same subject matter as what we're discussing - Garrison - and I was wondering if he could inform the House as what the time limits might be on these particular hearings. Are they going to be one year or two years, or when do you think they'll be completed?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Well, Mr. Speaker, the Federal Government and our government are aware that the latest date that we are now regarding as being a date upon which a decision has to be made by the American authorities as to whether they use the Souris or the Red, is late 1977. So all proceedings are based on having the matter decided before that date arrives.

MR. McKELLAR: Another question regarding the same subject matter. And I'm just wondering because of the fact a lot of the communities in Southwestern Manitoba are involved - I'm just wondering, will they have the opportunity to express their point of view during these hearings of the International Joint Commission or what will the procedure be?

MR. GREEN: Mr. Speaker, I believe before the International Joint Commission citizens of a country are represented by their government. I believe that the citizens that you are referring to are Canadian citizens who will be represented by their government.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, a question to the First Minister, also relative to the Joint International Commission's future hearings or planned hearings on the subject matter if it's agreeable that they are referred to them, which I understand is not quite settled yet by the other side, but has the Minister any information as to where these hearings will take place? Will there be opportunities for the Commission to be sitting here in Manitoba as well as perhaps other places?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: I take it that the question was directed to myself, the Minister of Mines. Mr. Speaker, I am not aware as to the details as to where sittings would take place, but I can make known to the Government of Canada, the implications of your question that something should take place in the vicinity of Manitoba, or in Manitoba, so that it will be more accessible to people in Manitoba.

MR. ENNS: Mr. Speaker, a supplementary question again to the same Minister. Has the government, or the Minister most directly concerned, made any representation, or is planning any representation, to the Federal Canadian authorities with respect to Manitoba representations at the hearings wherever they take place?

MR. GREEN: Mr. Speaker, the Minister of External Affairs has indicated that he would consider input from the Government of Manitoba as part of a Canadian delegation.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, to the Minister of Mines and Resources on the same topic; it's in reply to an earlier question. Could he indicate then if this referral does take place to the IJC by both governments, will it be on the understanding that they must bring in a decision within a certain time frame?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Well, Mr. Speaker, I believe that the exigencies of the situation so demand. I don't know what mechanics can be utilized to make sure that it occurs. We are of the opinion that that will occur, and that everybody is aware that it has to occur in order to be meaningful prior to a point of no return being reached in the United States. When I answered

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(MR. GREEN cont'd) . . . . the Honourable Member for Lakeside, I said that the Minister of External Affairs said he would consider the Manitoba input as part of Canadian delegation, I did not mean that he was considering it but that he would be of the opinion that the Manitoba component would be part of a Canadian delegation.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, to the same Minister on the topic. Can the Minister indicate whether the decisions reached by the IJC, when they are reached, are simply advisory or a form of recommendation, are they in any way binding on the United States Government to follow their decisions once they are arrived at?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I believe that they are recommendations which are not binding. I hasten to add that I know of no tribunal which would be more binding unless one wanted to put all one's eggs into the basket of an American court which could restrain activities in North Dakota, but that would then be leaving it up, not to an international tribunal but to an American court.

MR. AXWORTHY: Mr. Speaker, a supplementary. In view of the Minister's answer, and going back to a question that was put to him about two weeks ago on the same topic, has the Minister yet had the opportunity to examine through the law offices of this province, whether the Province of Manitoba would undertake legal action in an American court in order to provide for a second line of defence, or another option, to prevent any damage occurring as a result of American activity?

MR. GREEN: Mr. Speaker, I'll try to be more charitable than the First Minister was from his seat. The fact is--(Interjection)--

MR. SPEAKER: Order please.

MR. GREEN: The fact is, Mr. Chairman, that one would have to be satisfied that one would be willing to accept the decision of an American court, because once one went to an American court to try to get the decision, if the Government of Canada did that, from the other point of view it would seem that they would say, well you have decided to make your case in an American court. I haven't discussed the particular matter with the law officers of this Crown but I have sufficient experience on my own to know that regardless of what law officers may recommend, that your chances in court are always doubtful, and that a matter involving international affairs as between two countries is best dealt with through an international tribunal.

MR. AXWORTHY: Mr. Speaker, a supplementary to the same Minister. Can the Minister indicate whether in dealing with the advice of the law officers of this province, whether they have given him the advice that under international law most cases are in fact adjudicated in national courts because of the weakness of the international tribunals. In specific have they given reference to the Sabitino versus Cuba case about four years ago in the United States.

MR. GREEN: Mr. Speaker, if I was going to commence a law action against Cuba I would commence it in American courts. If I was going to commence a law action against the United States, I would commence it in Cuba, Cuban courts. I am suggesting, Mr. Speaker, that a certain line of defence has been developed, and that that line of defence, that line of defence, which I believe has had considerable success up until now, and I read in Friday's paper that the American Congress has now found advocates stepping on the Garrison Plan, has been to deal with it on an international basis through diplomatic channels and through the vehicles that are available for determination of international disputes.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: My question is to the Minister of Mines and Natural Resources and Environmental Management, and leaving aside the question of American courts, if the International Joint Commission finds unfavourably towards . . .

MR. SPEAKER: Order please. The question is hypothetical.

MR. SPIVAK: Well, can I then pose a question to the Minister. What other recourse will Manitoba have when the Garrison Diversion program is allowed to be completed in its proposed form?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I believe that I have said on numerous occasions that I cannot guarantee, nor can the Leader of the Opposition guarantee, nor do I know of any power that

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(MR. GREEN cont'd) . . . . can guarantee, that the United States Government and the North Dakota Government will ultimately ignore whatever is said and done and proceed with their program. When the honourable member says, what recourse does one have under those circumstances, all I can tell him is what is the best recourse, and I believe that we have employed that. I do not know of a better recourse, nor do I know that one has been suggested.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, a further question to the Minister of Mines and Resources on the same topic. I wonder if he could indicate that - so far most of the emphasis has been on the negative impacts of this scheme on Canada - his department had an opportunity or taken any opportunity to look into the possibility that under certain conditions there could be benefits to Canada?

MR. GREEN: Mr. Speaker, from the very outset, I have indicated to honourable members that some people believe that more water in the Souris would be of benefit to some. On the other hand, other people say that you will increase the danger of flooding in the Souris River. I think that the honourable member's question implies that whatever course of action will be taken somebody could say, you should have done the other. We have determined that the course of action we have taken - as by the way concurred in by the Government of Canada - is the one which best deals with the situation. I am not able to say that there wouldn't be, in the opinion of some, some benefits from the diversion proceeding as it does. But our position is to avoid the predicted consequences rather than to speculate on the possible benefit.

MR. CRAIK: Mr. Speaker, my question really is, directly as to whether his department has in fact looked at any possibility of circumstances, or changes to the present scheme, that would allow the American one to go at least partially ahead under, you know, present intention of providing irrigation water, and also providing some of the Missouri System Diversion under a steady flow basis that would improve the Souris but substantially changing the present Garrison plans?

MR. GREEN: Mr. Speaker, our judgment has been from an analysis of all material presented to date, is that it would be more protective of the Canadian position to resist the diversion as presently conceived. If someone shows that it can be done in such a way as to benefit the Province of Manitoba, we reserve the right to look at that. But we know enough about it now to know that it will cause damage and we are basing our position on avoiding that damage.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: My question, Mr. Speaker, is to the Minister of Mines and Natural Resources. I wonder if he can indicate whether the government has sufficient technical information on the Red River and Lake Winnipeg for proper consideration by the International Joint Commission.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, both the Canadian Government and the Government of Manitoba, which have been co-operating, believe that we have sufficient, and are able to obtain such supplementary information as is necessary to present a strong position to the International Joint Commission.

MR. SPIVAK: A supplementary. Is the Minister now acknowledging that supplementary information will be required?

MR. GREEN: Mr. Speaker, when the honourable member uses the word "now", he is making a representation or an indication which doesn't exist. We have always indicated to the House, and in letters to the honourable member, that the Canadian Government is continuing, and the Manitoba Government are in a state of continuing to assess other information and deal with its own data gathering as well.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Urban Affairs. I wonder if he can indicate at this time whether his department has been able to consider what the tax increase in the City of Winnipeg will likely be this spring.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister of Urban Affairs) (Seven Oaks): Mr. Speaker, this is very hypothetical. I don't like answering hypothetical questions. The City of Winnipeg is the one who will determine the level of expenditures, and therefore would determine what the mill rate would be.

MR. SPIVAK: Well, I wonder if the Minister's in a position to indicate whether his

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(MR. SPIVAK cont'd) . . . . department has studied the potential tax increase, not the specific.

MR. MILLER: No again, Mr. Speaker, this would be premature because what the City is now studying is the budget for 1975. Only they can determine what items they'll include in the budget, what will be shaved or eliminated, and the level at which it should be paid for, so that really for the department to try to second-guess any municipal budget of any council anywhere would be a waste of time.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Municipal Affairs. I wonder if he can indicate whether his department has studied the possible or the potential tax increases in the municipalities in the Province of Manitoba.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. EDWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, there's certainly no way of determining what those increases or decreases, or changes, might be at this time; they will vary from municipality to municipality.

MR. SPIVAK: I wonder then if the Minister is indicating that there is a possibility of decreases in taxes in the municipalities.

MR. PAWLEY: Mr. Speaker, I thought I'd indicated to the honourable member that it was premature to know exactly what type of tax changes would take place in the municipalities in Manitoba.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Health and Social Development. Can the Minister indicate when the government intends to appoint replacements for the three doctors who resigned from the Advisory Committee on the Manitoba Health Services Commission?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, first of all, there are no three doctors that resigned from the Commission, and this could be discussed during the estimates. I don't think that the act states that there has to be doctors on this board at all.

MR. AXWORTHY: Mr. Speaker, a supplementary. Can the Minister then indicate when he intends to replace the three vacancies on the Advisory Committee to the Manitoba Health Services Commission?

MR. DESJARDINS: Mr. Speaker, there'll be an announcement on that very shortly, and I think we should wait until then to debate.

MR. SPEAKER: The Honourable Member for Riel. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, a further question to the same Minister. Can the Minister indicate whether there is at this time any doctors on any Planning Advisory Committees to the Department of Health and Social Development or the Manitoba Health Services Commission?

MR. DESJARDINS: Quite a few, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I direct a question to the First Minister I believe he undertook a week or so ago to table the Letters of Understanding between Manitoba and the American power companies with regard to the export of power; in view of the fact that Public Utilities meets tomorrow and will be meeting again next week, I wonder if we could hope to have those letters as soon as possible.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, about ten days ago I indicated to the House that that Letter of Intent was appended to Order-in-Council No. such and such - it's on Hansard - and my honourable friend has access to that. I believe it really brings us back to the same point we had some argumentation about last Thursday.

MR. SPEAKER: Orders of the Day. The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Speaker, my question is to the Minister responsible for the Manitoba Public Insurance Corporation. I wonder if the Minister's in a position now to give us the answer to the question we asked Thursday in connection with licensing of truck units being used as school vans.

MR. SPEAKER: The Honourable Minister.

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HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, I took the question as notice and I've referred it back, and the honourable member provided me with some specifics, and I haven't gotten the answers from the department yet.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Just to be a little more precise in reply to the Member for Riel, if we were to check the Orders-in-Council on or about the 1st of July, 1974, he will find the Letters of Intent signed and appended thereto.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, would you proceed with the adjourned debates on second reading in the order which they appear.

GOVERNMENT BILLS - SECOND READING

MR. SPEAKER: Thank you. Bill No. 3. A proposed motion of the Honourable Attorney-General. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Can I have this matter stand please, Mr. Speaker?

MR. SPEAKER: Agreed? (Agreed)

Bill No. 11. Proposed motion of the Minister of Agriculture. The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, may I have this matter stand, please?

MR. SPEAKER: Agreed? (Agreed)

Bill No. 14. Proposed motion of the Attorney-General. The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Speaker, I too would like to have this matter stand.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Minister of Agriculture, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - AGRICULTURE

MR. CHAIRMAN: I refer honourable members to their Estimates Book Page 4 of the Department of Agriculture, Resolution 8(b) (4) pass. The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Chairman, when we adjourned the other day I was about to complete my remarks and I believe the clock ran out at that point in time. I would like to take another moment or two now to present to the members opposite the answers to the questions that they have put in the debate.

The Member for Rock Lake alleged that the Department of Agriculture was somewhat unsympathetic to the representation made to the department by the Pilot Mound Cheese Plant, and I tried to point out last week that really it's true that we were not all that sympathetic, because the proposal in fact was that the province take over the plant. And of course I tried to indicate that we were not at all interested in taking ownership of that plant. It's true that many local people in the Pilot Mound area did assume control, or ownership of that plant, which really came from a very desperate situation where the community faced either some initiative on their own that had to be undertaken or that they would lose an industry; and I think one has to give credit to those people that tried to save the industry by investing some of their own dollars.

But the context of their representations to the Department of Agriculture were simply that the province somewhat owed it to them to bail them out since they bailed out the plant; that somehow they did this as good citizens of Manitoba but that since the plant wasn't making any money, and didn't appear that it would make money, that it might be desirable for the province to take over ownership of that plant if for no other reason but to repay those investors

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(MR. USKIW cont'd) . . . . on their share-capital. And of course I'm sure the Member for Rock Lake wouldn't want to suggest to me that I should have looked more favourably on that proposal. You know every time we move in that direction with respect to an industry that has been foreclosed as a result of our involvement through the MDC, the members opposite throw some tantrums in this Chamber, in fact even notwithstanding the fact, Mr. Chairman, that these are usually escapades that they themselves launched when they were in the business of running the Province of Manitoba up to 1969. So I could imagine the reaction of my honourable friends opposite if we were to accept the proposition that we should take a plant over that wasn't making any money, and didn't expect to be making any money, in the interests of bailing out - financially speaking that is - those shareholders who have made substantial investments in a local industry. I don't think that that is the reason which the province should get involved in that way. Certainly it isn't the way I would want to proceed.

So let the Honourable Member for Rock Lake know that we are not at all interested, nor sympathetic to the idea that the taxpayers of Manitoba pick up the losses of Pilot Mound in order that the Community of Pilot Mound as represented in the shareholders, the makeup of the shareholders of that plant might get some relief. That plant will have to stand on its own two feet, Mr. Chairman, and I have to admit here that I was very blunt to the group that was in my office. I told them that if we were going to buy that plant that we could probably buy it cheaper after it went broke than to try and take over the capitalization as it was and to try and make it go. And I think I was stating a very realistic fact, that obviously if the plant did go broke and if it was shut down, and if there was any desire on the part of the province to re-open that industry, that it would be cheaper for the taxpayers of Manitoba to do it after the plant had closed rather than before, if there was to be any involvement whatever on the part of the Crown. And I suspect that didn't sit too well with some of those that felt that there was some hope that the province would pick up the pieces.

But that is the way it has to be in the interests of the people of Manitoba, Mr. Chairman. I think we cannot be the agency that has to get involved in the salvaging operations of all business failures in this province, unless we are forced into that position by way of loan advances or whatever. But certainly we shouldn't appear to be in the public eye the agency that would come to the rescue every time someone gets into some financial difficulty.

With respect to the other point that the Member for Rock Lake made on the question of milk prices - or no, milk production, Mr. Chairman - I simply want to point out to him that our 1974 production represents an increase of two percent over 1973 and therefore the fact that, or the suggestion on his part, that our milk production has gone down in this province is simply not accurate. And I have the statistical table here before me. So those are the comments that I have for the moment.

My last point in particular for the interest of the Member for Portage la Prairie on the whey plant. That item will be properly discussed when a bill is introduced for the building of that plant if a decision is made to build it. And I simply rest my case there for the moment. I don't think we should be discussing something that I have either no authority or no program over at the present time. I think it's just simply premature to say the least.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, I don't know whether I should thank the Minister for his comments in answering my first question. Possibly the question I posed to him wasn't as clear as it might have been because I was referring back to the time of last August, as it refers to the dairy plant at Pilot Mound.

And I think the Minister knows full well that while he was going through a rhetoric of telling us that we would be up very tight if we thought that the government was going to take over that plant, and as he indicated the people in the community solved that problem. But the point I wanted to make, Mr. Chairman, and the question I'm now posing to the Minister is, what percentage of the milk that is collected by the plant at Pilot Mound has been directed to be shipped into Winnipeg or other places by truck. In other words, Mr. Chairman, a portion of the milk that they are responsible for collecting, and have spent years of time and money in developing that business, are now being told by this government that they have got to deliver a portion of it to other plants. I'm wondering - not only Pilot Mound . . .

MR. CHAIRMAN: A point of privilege has been raised by the Honourable Minister.

MR. USKIW: Mr. Chairman, I rise on a point of privilege. I wish to point out to the

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(MR. USKIW cont'd) . . . . Honourable Member for Rock Lake that the government does not direct the flow of milk; that is handled by the Milk Producers Marketing Board.

MR. EINARSON: Well, Mr. Chairman, the Minister mentioned in his comments - and I should divert here for a few moments. In all our discussions with the possibility of building a Crocus Food Plant, and many of the members on this side of the House whereby there are dairy plants and cheese processing plants in their respective constituencies, are concerned about this whole matter. Because the power that the Minister does have he is using at the present time because he is taking complete control, whether it be him, or the Manitoba Milk Producers Marketing Board, it's through his office that this is being done, and he's also stated that there are plants that have made application to put in equipment to process or dry the whey from those cheese plants, and because the Advisory Board, who are supposed to be working on this thing to find out the economics of it, and that's the reason why he says that if one plant puts in an application for this equipment to be installed, they are being turned down.

Now this Advisory Board, is that the Manitoba Producers Milk Marketing Board or is this another board that he has that is not listed in the Milk Control Report. Is that another advisory board that he has that is not listed here? I would like to know that from the Minister, then we'll carry on further.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Speaker, I would like to respond to the Member for Rock Lake. The member knows full well that the milk producers of Manitoba, in particular the industrial milk producers which relate directly to the cheese plant industry, the cheese industry in this province, have requested that a Milk Producers Marketing Board be set up so that their returns for their production would be greater - that was bargaining position that they wanted - and it was in response to that request that a Milk Producers Marketing Board was established, and that the pooling of milk took place under the jurisdiction of that new agency. So my honourable friend ought to know that when the producers Milk Marketing Board decides to allocate milk production, they are attempting to respond to two needs: 1. The requirements of the people of Manitoba for whole fresh milk, and that's something we must have on a daily basis, and by the way which pays the producer \$11.60 cwt for that use. If my honourable friend is suggesting that notwithstanding the fact that there is a market at 11.60 cwt, that the milk producers would be willing to subsidize the cheese plant who get their milk somewhere in the order of 7 to 8 dollars cwt, then I don't think that he will have the support of his industrial milk or the milk producers across this province.

The control board has to decide, or the producers board has to decide what indeed is in the best interests of their members. That is exactly why they have been so organized. And there is no way one can argue that the producer board should go out of its way, and even though it does, Mr. Chairman, it shouldn't go out of its way more than what is necessary in favour of supplying milk at a lower price, a lower return to the producer, in order to facilitate the cheese industry of this province.

There is a mechanism through which the price for cheese-milk is established and it relates directly to the Belleville cheese price in Ontario and the freight factors that are taken into account. So that the Milk Producers Marketing Board is fully justified, in fact, to increasing the price of milk to cheese plants beyond what they have done, because we have, we have an ability to completely forget about cheese production if we were only interested in obtaining the highest return for milk to producers, 11.60, or some figure between what the cheese plants pay and what the powdered milk plants pay. I think my honourable friend should appreciate . . . that if the milk producers took a completely selfish attitude they may say, for example, that we have an unfulfilled quota with the Canadian Dairy Commission at a guaranteed price higher than what the cheese plants are paying, and therefore why should we give any milk to the cheese plants. That argument could be made. That argument could be presented.

So I say to my honourable friend that the Milk Producers Marketing Board know what they are doing. They are trying to be fair to the cheese plants. They are trying to supply the consumers of Manitoba with fresh milk on a daily basis, and they have not yet achieved that, Mr. Chairman. There is still some reconstituting of milk taking place and finding its way onto the tables of our consumers every day in the short periods of milk production. We have not yet overcome that problem.

You know the consumers have quite a logical position from which they should complain,

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(MR. USKI W cont'd) . . . . that if we are . . . to continue to reconstitute milk out of milk powder that that milk should be sold and should be identified as reconstituted milk. But that will create one awful problem for the milk industry. They would then have to have two labels, two different products. The administrative mechanisms required, the machinery to separate the two would be cumbersome. So I think in the long term we have to devise a more efficient way of assuring the consumers of Manitoba that the milk they are buying in the store is indeed fresh milk, not reconstituted milk, and the Milk Producers Marketing Board is moving in that direction, moving in that direction and hopefully before too long that assurance will be complete. But we have gone a long way in the last year since we have reorganized our milk program in this province through the pooling of all milk and which has resulted in greater rewards, greater returns to the producers of milk. No one can argue that question. No one can argue that question.

So let the Member for Rock Lake not suggest that the Government of Manitoba somehow is trying to undermine, undermine the cheese industry in this province. That is not the case. And I think if anything the Milk Producers Board has been very lenient and generous, too much in favour perhaps of the cheese plant operations in this province. They have given them concessions and subsidies which they are not required to do, which they are not required to do. They have the option of maximizing their returns to the powdered milk market if they so wish.

Now the member raises the question of a board, an advisory board, that has some authority and direction in the area of licensing milk plants processing facilities in this province, and I want to advise him that that is not a new mechanism. It's a mechanism that's been there for many years, and members opposite when they were the government used it. It is the same mechanism, and we do consult with the advisory board on the area of issuing plant licenses whether to upgrade the plants, to add new dimensions to the plant's operations or in the licensing of brand new plants. And those procedures are quite standard and conforming to the Dairy Act that the Member for Lakeside quoted from during the debate on this particular question last week.

So nothing is out of the ordinary and beyond the norm. We are conforming with all of the sort of existing procedures that have been procedures in this province for some decades, I would presume, at least as long as I can recall. So there's nothing changed in that respect, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Chairman, the Minister mentioned the Producers Milk Control Board, or Milk Marketing Board, that they control the direction of the milk. Are we not to discuss it under this particular item or . . . I just wanted to ask him if there was a directive went out to the rural creameries to direct the portion of their milk to the board, and I would like him to tell me if all of those people who received that directive complied with it, or were there any that refused to divert part of their milk into the Producers Board.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKI W: Well, I believe, Mr. Chairman, if my memory serves me correctly, that at the time there were some discussions or negotiations as between the board and the various processing plants of the province. Of course, everyone was not happy about the idea of diverting milk supplies in the interests of fulfilling the best market, mainly the fresh milk market. But nevertheless there was some agreement and acceptability of the diversion that took place, and the Milk Producers Marketing Board, as I recall it, consulted almost on a . . . if not on a daily basis with some of these plants, and did finally arrive at some amicable arrangement to both sides. Now that doesn't mean that everyone is happy. Not at all. --(Interjection)--As far as I recall, I believe everyone did.

Now I should like to draw to the attention of members opposite that under the present milk marketing arrangement, milk is a product of the Producer Board once it leaves the farm gate and the allocation is entirely in the hands of that board, which is representative of the producers themselves. The members of that board are producers of milk.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Chairman. As you know, Manco has a creamery of considerable size in Winkler and they produce about 80,000 pounds of whey per day. Now I'm wondering how practical is it to haul all this whey to Selkirk. This would take at least two trips a day by a tanker, and during road restrictions, and so on, which we are

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(MR. BROWN cont'd) . . . . faced with about two and half months of the year, it would take four trips. Now I'm wondering whether a study has been conducted to determine whether it would be more efficient to process, or at least to partially process this whey before it is being shipped, and I wonder if the government shouldn't maybe be willing to give a grant towards equipment so that these companies could start processing, or at least partially processing, the whey.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, as I pointed out before, it's very awkward to debate something that is not properly before us, and when the bill is presented we will be able to get into all of those areas. You know, the proposal that we may have, may have, may involve some means of reducing the product from its present form, or from its earlier form, into some other form and which will reduce the costs of transport. All of these considerations have been taken into account by the consultants who have looked at this question. But I think that it's again, I have to say this, it's just premature to deal with it at this point in time. If we're going to proceed, you will have your opportunity to debate it when all of this information is available.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, the Minister seems to have a curious reluctance to discuss the matter of the whey corporation that he is intending to build at Selkirk, and he continuously suggests that we should wait until such time as he brings a bill before the House. Our trouble here is that when he brings a bill before the House, it's going to be too late. He will then have gone ahead and built it. So, Mr. Chairman, we intend to . . .

MR. USKIW: A point of privilege.

MR. CHAIRMAN: A point of privilege, the Honourable Minister of Agriculture.

MR. USKIW: I had given a statement to the House a week ago, last week, to the effect that if we proceed it will only be by way of a bill in the Legislature, at which time there will be ample opportunity to debate. Now the Member for Morris alleges that the plant will be built before we bring a measure to the House.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: That, Mr. Chairman, is not what I said, and the Minister does not have a question of privilege. He doesn't even have a point of order. As usual, he just yaps from his seat to hear himself yap. What I suggested to the Minister is after he has brought a bill into this House, then it's going to be too late as far as we're concerned. Then it's going to be too late for the people of this province, and milk producers and milk consumers as well. What we're attempting to do is to get answers to questions concerning his intentions with respect to the whey corporation. He had no reluctance whatsoever on November 9th, 1973, issuing a press release to that effect that he was going to build one. That at that time seemed such a heck of a good idea as far as he was concerned. Brilliant idea. And then I posed a series of questions on the Order Paper during the course of the last session, asking him about what kind of studies had been undertaken with respect to this whey corporation - questions that were answered, it would seem to indicate that he is going to proceed. Then there is an Order-in-Council dated 7th of November, 1973, in which it instructs the Development Corporation to forward moneys on to the whey corporation, and to establish the whey corporation. Who's he kidding? What's he trying to tell us?

Then he has a contract that is being circulated amongst the processors asking them to supply them with the raw product that they're going to be processing at the whey corporation: Yet he has the audacity to stand in this House and suggest that he has not made up his mind. Further than that he has the audacity to suggest that we shouldn't even ask him questions about it. Well he's going to find out that we are going to ask questions about it, whether he likes it or not.--(Interjection)--Well, he says he's not going to give the answers, and that's characteristic of the Minister.

You know it wasn't too long ago, on one other occasion, sir, when we chose not, because of the time limitations that were imposed on the consideration of estimates, we chose not to discuss the Department of Agriculture, and we didn't proceed with an examination of the various items under the Department of Agriculture. The Minister complained very bitterly about that.--(Interjection)--No. opposition he says, that we never asked any questions. Now when we say we're going to ask questions, he says you're not going to get any answers. That's

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(MR. JORGENSON cont'd) . . . . the kind . . . and that's characteristic of this Minister. Talks out of both sides of his mouth. And the answers that we do get we cannot depend upon, because one day he'll suggest one thing, and another day he'll suggest another.

In addition to all this, Mr. Chairman, right in the Milk Control Board report itself, there's an item that says there's 9,200 and some dollars that has been allocated to the whey corporation, the whey plant proposal, on Page 20 of the Milk Control Board report. Yes, whey plant 9,000. Well it's some proposal, they've already advanced \$9,271, and not only that they've spent \$9,271. That is in the 1974 report, and there's probably more . . . I'll raise that.

Then the Minister has the audacity to suggest we shouldn't ask any questions, and that if we do ask questions, we're not going to get any answers. That's the kind of double talk we've been getting from the Minister of Agriculture ever since he took over that portfolio. And I suppose that's the kind of double talk we'll continue to get.

But notwithstanding that, Mr. Chairman, there are going to be questions asked and we hope that the Minister, in the light of the evidence that we have produced indicating that he's going to proceed with this whey proposal, that he'll at least see fit to answer a few of those questions.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, I'd like to just say a few words on this very important subject because it brings a lot of memories back to my heart of all the cows I milked in my past years, and all the hard work and sweat that went into that very same subject. I wanted to relate back in the war time where you had a lot of government involvement at that time too and we supplied our little village with milk and we got eight cents a quart, and the government paid us two. The government wouldn't let us raise . . . in 1945 they wouldn't let us raise the price of milk. So what happened, we sold our cows. Sold the cows and got out of the business. That's the way we solved that problem, and it wasn't a bad idea.

When you get too much government involvement, Chairman, this is the very same thing that's going to happen in Manitoba, The Minister thinks he's going to get more milk out of the farmers and out of the cows. The direct opposite will happen. The direct opposite will happen, Mr. Chairman. The damn cows will say . . . they'll tell the government what they're going to do with their milk, and the farmers will too. I can assure of that. They're going to tell the Minister what he can do.

What's happened here in the last 12 months. 30th day of April last year the new government policy came out without any official notice to anyone. And I want to say to anyone. Hardly to anyone. Within three days we heard it that he was going to set up this producers marketing board, milk producers marketing board, and they were going to own all the milk when it left the farmer's gate. Well, he could have taken 12 months to relate that policy and explain it to the people, and you would have been well advised if you had of done that. I told you this is what you should have done. You didn't do this, you didn't do this. You got yourself into hot water, you're into hot water. --(Interjection)--You say you aren't. Well I know you aren't with the industrial milk producers because they're getting a better price. You could have given a better price anyway, you had the power. You had all that power without destroying . . .

Mr. Chairman, I want to tell you what happened to the people - the fluid milk producers have quotas and I'm not worrying they can look after themselves - but many people in the dairy industry borrowed money from you to pay for quotas and on the 30th day of April you said they are no longer there, the quotas didn't mean a thing; money that was borrowed from the Agricultural Credit Corporation to pay for quotas, and overnight with a stroke of the pen the money was gone down the drain.

Westman Dairy in Brandon, southeast of Brandon, how much do they pay for quotas within 12 months of your change of policy? \$95,000. \$95,000, and if they didn't have those quotas, Mr. Chairman, they couldn't have sold a quart of milk, or sold a gallon of milk to any dairy. And that's pretty important. I don't mind; they can maybe afford it as well as anybody, but that's not the point. You shouldn't do that kind of thing without going to the people and explain it to them and give them sufficient notice. Not with the power . . . I realize the power you've got, Mr. Minister. I realize it. I know what's happening in AI, and I know what's happening in every policy. I know what's happening to the people of Manitoba. And it frightens me, and it frightens the farmers in my area.

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(MR. McKELLAR cont'd)

I want to say something too about the subject matter that is being discussed this afternoon. The change in policy that is brought about now is required . . . this Milk Producers Board supplement, their fluid milk from other parts of the province, and it's got to come from manufacturing milk industry.--(Interjection)--Well, he said there's no fluid milk. Mr. Speaker, there's got to be fluid milk, and there's requirements that are set out by law, and if the Minister of Health isn't doing his job by golly, he'd better quit too, along with you. He'd better quit, because I know what the requirements.--(Interjection)--You don't have to tell me, you only know about potatoes. I know a little about, something more than you do. You got to have requirements, and stiff requirements, to meet the fluid milk standards. Mr. Chairman, I've been in barns with the fluid milk producers and I know what they have to live up to. They have to have coolers that meet the requirements. I know that the manufacturing milk people don't have to have the same requirements. And I know you lowered the standards, I realize that. But if the Minister of Health is not doing his job in the Province of Manitoba, I'll ask for his resignation as well as yours. Because I'll tell you it's pretty damned important, pretty important.

I want to get around to the cheese plant in my area. And I don't know how important this change of policy will be, or what effect it's going to have, and I'm not going to say too much at this time. But I want to say that one of the boards of directors and one of the owners of this plant, is a former President of the NDP Party in Manitoba. A former NDP President of the Party in Manitoba. Now I tell you if you're not doing your job, maybe the former President of the NDP Party will look after you. I don't suppose I could persuade you, but maybe he can. I understand he's trying to get a seat here in Wolseley. I understand that fact, he's trying to get a seat out here at Wolseley when the election is called. I don't know whether he's rapping on your door, but I really hope he's rapping on your door. Because his investment is affected. His investment is affected the same as the other owners of Superior Cheese. Now what's going to happen? Seventeen employees at the present time. You cut them back 20 percent, I suppose this plant may be operating, maybe it won't. But the manager out there tells me they got contracts in Safeways, and other chain stores, that they have to meet on a continuous level. They're turning out an excellent product, a very excellent product, and the people who purchase their product, they're quite satisfied. But one of the things that concerned him is the fact that if you reduce his supply of milk by 20 or 25 percent, that the production which he has kept, raised to a very high amount, is going to be affected, and whether their plant can continue to operate will be something they'll have to look at in the next year.

But I would say to the Minister, I would say to this Minister, and as you relate that the producers marketing board is the producers board, I want to say to you Mr. Chairman, this is not a producers board, this is a government appointed board. These men have never been elected by the producers of this province, that this is something different altogether than what you are trying to relate. It's your board, your board, a government board, a Crown corporation - you can call it anything you want. It's not a producers board.

Mr. Chairman, I just also want to say a little about Crocus Foods. And I know that the Minister says right now, today, that we shouldn't talk about it. He can't give answers, he doesn't know what . . . Well, I'd like to know where this \$140,000 that was in the book here, of a loan that says - and I want to read it: "Crocus Food Products Limited, loaned for interest at 9 percent, two and a half month term, \$140,000." Well, \$140,000 may be small when you're talking about a billion. It may be small in amounts of money, but \$140,000 will do a lot of study. And I can assure you that if he's going to spend \$140,000 on the study, he's not going to throw that money down the drain. And I know for a fact that the Minister . . . that he'd likely made up his mind already.

But I'd like to talk about something else too that he mentioned this afternoon, Mr. Chairman. He mentioned that a bill has to be brought in.--(Interjection)--Yeah, I know that doesn't have to be. I wouldn't have been here 17 years if I didn't know. He doesn't have to bring a bill in. This thing can be built at any time. And we all know when we're passing capital supply, there's about \$40 million there in a kitty that the government can do whatever they want to; \$40 million, they can spend it on anything. And we can't argue about it because we don't know what it's going to be spent on. That money can be used for that particular project, building the Crocus Foods out there at Selkirk. But I don't know why it has to be built

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(MR. McKELLAR cont'd) . . . . at Selkirk. If you're going to build a government plant, why do you want to locate it out there? Why don't you locate it where the majority of the cows are? That would make more sense - or in the central part of the province. It doesn't look like very good business experience to build it in an area where you're not close to where the majority of the dairy cows are.

Mr. Chairman, I'd just like to close by saying that we've lost a man in the Civil Service, Dr. Kristjanson, who has been chairman of the Milk Control Board as we used to know it - I don't think this board has money powers - but I do want to wish him well with his new position at Ottawa, that as Chairman of the Board of the Federal Agriculture Credit Corporation, and I know the important job they are doing for the farmers of Manitoba and Canada, and I am sure that the people, the farmers of Western Canada and all of Canada, will be treated fairly by this man. I wish him well in his new position.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Chairman, I would like to make a few more comments in regards to the Minister's comments when replying to myself, and my particular constituency and the dairy plant in that area. I don't know whether the Minister was wanting to put something on the record that he could probably use against me in another election if that was possible, but in trying to answer the questions I posed to him, he skirted all around the issue and was putting things in the record that had no truth to them whatsoever. And I want to make it abundantly clear, Mr. Chairman, before I ask any further questions that the price that the producers are receiving I am in no disagreement with. I think they're doing . . .

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: . . . of privilege. The member indicated that I had uttered untrue statements. I would like him to tell me which ones.

MR. EINARSON: Mr. Chairman, the comments he was making, he was trying to convey to me that I was not in agreement with the prices the farmers are receiving for their milk. I indicated early, in my early comments, that I was pleased with the price the farmers were receiving for their milk. And, you know, that's the one area in which the Minister could take pride in, was that the farmers were receiving a reasonable price, and also that the consumer was getting a quart of milk for a price that was reasonable. But I was indicating to him that the processing plants that are in the middle are something that we're concerned about, because it related to the Crocus Food plant that we've been debating on, and questions that we're posing to the Minister in regard to this particular area, we're not getting answers to, Mr. Chairman. My colleague from Morris gave some evidence of information, way back to 1973, and I want to make it abundantly clear, Mr. Chairman, that I am in full agreement with the prices the farmers are receiving for their milk; and also it's fortunate the consuming public are not having to pay any more than they are paying for milk at the present time. But, Mr. Chairman, I also want to put this on the record, that if this government pursues the policy that we think they're going to pursue in the dairy industry, it won't be long before the consumer is going to be paying probably considerably more for their milk because of the way that the Provincial Government is interfering in an industry, such as they've tried to do in other areas.

Now I want to ask the Minister: how many dairy plants in the province are processing cheese? Of those plants, how many have received directives from the Manitoba Milk Producing Board to divert what percentage of that milk that they take in daily, to what plants?

Mr. Chairman, these are questions that are of concern to us because I can't help but feel that if what is happening has a direct relationship to what we're trying to find out from the Minister as to future or not of the Crocus Food Plant. I'd like those questions answered.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well again, Mr. Chairman, I find it very interesting that the members of the Opposition are getting somewhat worked up about the question of milk quotas. That has to be a classic, because the philosophy of my friends opposite has always advocated the free market system, and for the first time in three decades, or more, we said to the people of Manitoba that anyone that wants to get into milk production can get in without penalty, without having to pay a price for the license to get in. And my friends opposite are caught in a dilemma, Mr. Chairman, where they now have to contradict their own position, historic position, because they've had a few people knocking on their doors who thought that they should get some value for their quota rights; a value that was only there under the table in the first place

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(MR. USKIW cont'd) . . . . Mr. Chairman, never recognized, certainly not in legislation. The Milk Control Act didn't provide for those artificial values, not whatever, Mr. Chairman, but my friends - and I know the Member for Morris would not support that position. He is very quiet on that point, Mr. Chairman, but I notice some people find it expedient to try to belabour the point that some people have lost quote values. And here you have the contradiction of the Conservative Party, here you have the complete sacrifice of principle - if there ever was a principle within the Conservative Party of this province - where on the one hand they attack government on every opportunity where there is some measure of control on production and marketing; on the other hand where we have moved to free up the market for the benefit of the consumer and the producers as a whole. I have to appreciate that to a small group of people maybe that had a negative impact - and we knew that before it was done - but we removed a restriction, we created more freedom, Mr. Chairman, and here the members of the Conservative Party are saying, we don't want any more freedom, please take our freedom away. I find that awfully ironic, Mr. Chairman. And it has nothing to do with anything but expediency on the part of members opposite who have already been lobbied by some people in the dairy industry - that's all it relates to, Mr. Chairman. It relates to no principle whatever, and does not back up their position on the issue of marketing of agricultural products as we know them on the record in this province.

You cannot have it both ways, gentlemen; there's no way in which you can on both sides of the coin. There is no way. I know it's expedient, providing somebody on the other side doesn't find out that you've taken the opposite position the day before as you have taken today. Eventually it catches up with you. You cannot carry on a public debate contradicting yourselves every day, and on this issue you are in direct contradiction of your stated philosophy and policy that you would want this government to follow on this very issue.

The Member for Souris-Killarney indicated that there's been a reduction in quality standards. That is not the case; that has not happened. I should like to point out to him that some people in the dairy industry indicated to me in advance of the changing of the dairy policy last April, that there would be a serious problem in that most industrial milk producers were not qualifying for the standards that they would have to meet in the area of milk pooling, for the supply of milk to the consumers of this province. And I should like to point out that Grade A milk shipments amount to 92 percent of all shipments. Class A milk is 92 percent of the total; eight percent are in the Class B category, based on quality standards that are uniform right across, Mr. Chairman, based on the same rules that applied before pooling of milk took place last May. So let's not draw any red herrings, Mr. Chairman.

Now the members wanted to know, members wanted to know why it is that we would spend \$140,000 of public funds on the whey plant. You know, could you imagine, Mr. Chairman, the debate in this Chamber if we did no studies whatever, no feasibility studies, and we launched into a seven or eight million dollar investment? The members opposite would say, but Mr. Minister, who did the studies on this project? Where are the reports? You know, it's incredible that they would question the expenditure of \$140,000 which is used to do feasibility studies, is used for travel expenses - and we have had people looking at plants all over in the world, the most sophisticated plants that have been built - and of course it has to cover the salaries of two or three people. That is the item of expenditure we're talking about. So let us not talk about using public funds in an area which has already committed the government to the building of a plant, because all of these funds relate to the research and studies that go into the making of a decision as to whether the plant should be built. And when that is final, Mr. Chairman, we'll be back here discussing the building of that plant and the Capital Supply that will have to go with it.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, just let me illustrate what a real red herring is, because the Honourable Minister indicated to us just a moment ago that somebody on this side was questioning the expenditure of some hundred or hundred and forty thousands of dollars of money into what we have been indicated to believe will eventually be an important five or six million dollar industrial complex--(Interjection)--or seven or eight. Now, Mr. Chairman, quite to the contrary, and let the record be clear - and he is quite right. In fact what he has been hearing is we've been suggesting that more moneys should be spent in studies and in research, in researching this matter before a decision is made. The references made to the

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(MR. ENNS cont'd) . . . . amounts of money spent so far in research and studies on this matter, raised either by the Honourable Member from Portage or the Honourable Member from Morris, and I believe the Honourable Member from La Verendrye, were raised only to indicate the fact that far from this being a nebulous kind of a decision still to be arrived at on the part of the government and this Minister, that in fact dollars and cents have been put into it in a pretty serious way to formulate that decision, which we believe has already been made. Now for the Minister to indicate to us that we would be arguing just the reverse, if in fact that decision was made without these moneys spent, he's of course quite correct. In fact what we have been arguing if he would be listening, is that these moneys and these studies, and these research projects that he's undertaken, have largely been in-House, have not involved the existing processing industry as it presently is structured here in Manitoba, because all we get from the private sector is, you know, some concern, a little bit of rumour here, a little bit of news here, obviously no direct, no meaningful, you know, approaches, to them who could be very directly concerned with whatever action the government takes. So, Mr. Chairman, I simply didn't want that situation to pass unresponded to, that the criticisms that we raised on this side of the House with respect to dollars being spent in this direction - we're not being critical of the dollars being spent - they were raised merely to indicate and to reinforce our arguments that we believe that that decision has been made. And I really think, you know, that if there ever was a situation of wanting to play an issue on both sides of the fence, the Minister is demonstrating it right now.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, let me demonstrate now how silly the Member for Lakeside is, because he knows having been on this side of the House for a number of years, Mr. Chairman, that if a decision had already been made, as he alleges it has, then we would be in - shall we say - default with respect to our DREE application. No decision can be made in advance of getting an approval from the DREE office for DREE grants for any project within this province. If a decision is made, as I understand the DREE arrangements, then there is no consideration given to a matter that's after the fact. Once a plant has been built, or a decision made to build it and announced, then that virtually forfeits any consideration of DREE funding. So there's no way in which we would be in that position at this point in time, bearing in mind that there is an application with the Department of Regional Economic Expansion for a grant towards the building of that plant.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Well, Mr. Chairman, the Minister brings to light a very interesting question. Crocus Foods already have \$140,000. Is it a Crown corporation - No. 1? No. 2, if the DREE grant is turned down, how is \$140,000 going to be repaid?

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, it would appear to me now that the Minister of Agriculture in the kind of way he's accepting his responsibilities, it almost makes me feel that the First Minister should be in his seat and we start directing questions to him.

I posed a question to the Minister of Agriculture, and I'll repeat: how many dairy processing plants in the production of cheese are there in rural parts of Manitoba? Secondly, how many of those plants received directives from the Manitoba Milk Producers Marketing Board to divert a percentage of that milk to Winnipeg, or other places? And, Mr. Chairman, those are very, I think, appropriate questions, and questions that are significant to the discussion we're having here this afternoon in regard to the future of that Crocus Food Plant. I think they have a relative bearing as to what's going to be the future of the dairy industry. And I think, Mr. Chairman, that I'm concerned about the future of the dairymen in my area, as well as other parts of the Province of Manitoba, because if those plants are forced to close up because of the action of this Minister - and he can say what he likes about the Manitoba Milk Producers Marketing Board, because they are directed by his department - and if we don't get answers on those two questions, then I'm concerned, and we're going to have some other source of our information.

MR. CHAIRMAN (MR. WALDING): The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, just on that last point, the Member for Rock Lake is wrong when he suggests that the Milk Producers Marketing Board receives its direction from my

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(MR. USKIW cont'd) . . . . department. And he knows, because he has been involved with the administration of government, wherein there have been government appointed producer boards; and wherein, unless I am wrong, Mr. Chairman, unless it is true, that that government up to 1969 interfered with the day-to-day decisions of their boards - even though they alleged that these were producer boards appointed by themselves - unless they are admitting to that, then, Mr. Chairman, I have to say that my honourable friend should know better if he doesn't, that governments do not run boards, even though they are appointed by government, there is no direct linkages in the day-to-day decisions between the Minister's office and any board over which he has legislative responsibility. And he is referring to a legislative area of responsibility, mainly the Natural Products Marketing Act, but surely he is not telling us that in the previous years of government, that the day-to-day decisions of those boards operating under that Act were made by the Minister in this province. Maybe they did, Mr. Chairman, maybe we have a revelation here. Maybe the debate has brought about something of interest, Mr. Chairman, and that probably justifies the fears that they now have.

Well I want to assure members opposite that that is not the way we operate, that is not the way we operate, and there are checks and balances; we have rights of appeal to the Manitoba Marketing Board on the part of the processor and on the part of the citizen, on the part of the producer of milk, there are checks and balances. If there was ministerial intervention, that could be found out very quickly, Mr. Chairman. If the Minister in charge was wanting to dictate to the Producers Board that has been appointed on a day-to-day basis. Certainly we have policy discussions from time to time, and that is as it should be, but let not the Member for Rock Lake allege to us that we are running those boards, unless he is telling us that is the way the Conservative Party operates when they appoint boards, because that is exactly what he is saying, Mr. Chairman.

Now, how many cheese plants have been consulted, or how many processing plants have been consulted, or have been asked to divert milk? I could only give that information by making an enquiry of the Producers Board. Obviously I don't have that information here now, but for the benefit of my friend opposite, I will get that information for him.

A MEMBER: You're laughable.

MR. USKIW: You're laughable.--(Interjection)--

MR. CHAIRMAN: Order please. The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I have a couple of questions I wanted to direct towards the Minister on this particular item. One is with regard to the pricing announcements that are made by the Milk Control Board. I understand that it's main function now is simply to set the price of milk rather than to follow its original legislation which is to act as more of a control board. And the specific question is in relation to - we get price announcements with regard to the No. 1 milk, but the other grades are never publicly announced, and we see changes taking place in this pricing but the only one that is ever brought to public attention is the change in the price of No. 1 milk. I wonder if he can advise why the board does not announce the changes in Grades 2 to 6, and whether or not this would not be some advantage to the consumer to know that these changes have taken place.

The second question deals with the Minister's comment here about ministerial intervention and policy setting. And if you were to look at the idea of this proposed whey plant, and the questions that have been raised here by this side of the House, and letters read by the Member from Portage, one can't help but wonder if this doesn't constitute ministerial intervention, particularly in view of the fact that his own party, I think, in convention has taken a stand against a particular international company that is in business in this province with regard to having an effect on its well-being. Can the Minister then, from the point of view of the consumer, say that the company that is now handling, or can handle and has indicated it could handle, the whey product in Manitoba, are you going to by setting up a separate corporation with sole monopoly jurisdiction over whey be able to assure the producers of Manitoba that making redundant those facilities of the former Modern Dairies group, can assure them that by this move that you're going to save the consumers of Manitoba any significant amount of money. It doesn't add up, Mr. Chairman, in view of the fact that we have had in Manitoba a pretty stable set of conditions with regard to milk and milk products in this province in relation to other provinces of Canada. One can hardly help but ask the question, that with the offer having been made by a company which has grown to substantially in this area, and an industry

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(MR. CRAIK cont'd) . . . . which has grown to the place it has in Manitoba and offered to the consumer prices which are very favourable in relation to the total Canadian picture, can he say that this is not ministerial or policy intervention on his part to leave these facilities, some of which are going to be made redundant, to set up this massive development in Selkirk, with the establishment of a government whey plant?

Well, Mr. Chairman, I think the questions that are being raised here are very valid, very valid questions as to where is the logic in over-all terms, where is the over-all logic, not the logic represented by resolution of his particular political party to have that Beatrice Foods - or whatever the name is of the succession group to Modern Dairies - but where's the logic in terms of the past performance of the industry in Manitoba which at this point stands itself in good stead compared to all other provinces. (Hear hear)

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well just to respond to the first question, Mr. Chairman, the member should know - perhaps he wouldn't know - but I wish to advise him that the Milk Control Board sets the price for the fresh milk product. But all of the processing prices, or milk for processing prices, are set by the Producers Marketing Board. So there's a split jurisdiction as to pricing, and therefore there is no requirement on the part of the Producers Board to announce a price change to the public generally other than to the processing plant in question who purchased milk from that board. And of course the logical follow-up to that is, that price adjustments are made in the form of higher cheese prices, or cottage cheese prices, or whatever the product happens to be, or the powdered milk prices, and there is another realm altogether. So there is a split jurisdiction, the Milk Control Board has authority only in the best market area in our milk industry and that's the number one Class "A" milk sales, and that's direct to the consumers of this province.

Now the Member for Riel raises the question of whether we will have some redundancy as a result of the building of a plant to handle whey. Again he should know that there is no plant that now handles whey in this province. There is some varying degrees of facilities that are not adequate in place in some plants, and there's been indication to us by some of those that it is a cost factor to them not a profit factor, and that they would just as well not have to deal with the whey problem. Now that may not be true with respect to the largest company, namely, Beatrice Foods or Modern Dairies - I don't know their particular position. But notwithstanding that they are but one processor in Manitoba, and we have dozens of processors that have a cost factor attached to whey disposal. So it's not something that we are going to create, it's not a redundancy rather that we are going to create in the case of almost all, if not all of the plants.

If the member is alleging that a private entrepreneur is willing to undertake this responsibility for the whole of the province, that is information that I do not have. We have not been led to believe by anyone that any plant operator in Manitoba wants to undertake the responsibility for whey collection and disposal provincewide.

Now, we have the Dairy Board, as my friend for Lakeside indicated last week, who advised us on how to deal with these problems. Their consideration leads us to believe that the only efficient way of dealing with whey disposal is if we have enough volume that would warrant a facility; that if you piecemeal it out that only one plant may afford to handle the disposal of whey - and I'm talking now about the large, the giant in Manitoba - whereas the others would not be able to do so, and if they were to undertake it, it would certainly put their viability into question. That is the consideration that we have to deal with, and as I indicated to you before those considerations have not been finalized.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Chairman, the Minister hasn't answered the two questions that I posed to him. Are you going to answer them? First of all is Crocus Foods a Crown corporation? Second, with a \$140,000 loan that they have, and the decision is made by government that they do not go into business, is that \$140,000 going to be paid back?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I think I should research that one and answer it more fully, but as I recall it, it was set up under Part II of the MDC Act.

MR. G. JOHNSTON: If the Minister wants time to research the answer that's fine, but being set up under Part II of the Act, does that mean they don't have to return the money?

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MR. USKIW: Well since the \$140,000 in question is still being, is being used rather in the area of research and development activity, it could be that if the plant doesn't proceed, that that will have to be written off, yes. --(Interjection)--Well if they don't proceed with the plant based on our studies, that may be the case, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I'd like to pose another question to the Minister, and I'm given to understand that he, through his department, they're not satisfied with the way many of the plants are operating in the Province of Manitoba, the dairy processing plants. I wonder if he could explain where the operations are not meeting to his satisfaction.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, I don't have it with me, but we did have a summary sheet on all of the processing plants in Manitoba that was provided for us by the Clean Environment Commission, where they indicate very serious problems. Now I will attempt to get that for my honourable friend.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Well Mr. Chairman, I want to make just a final comment with respect to the proposed entry of the government into the processing business. I don't suggest by any means that other members should desist from it, because I think this is a pretty important field. And I thought I would be able to, with my research, come up with probably what has taken place. I have the Manitoba New Democratic Party's convention's resolutions as passed in 1971, and I thought it was that year, but the Minister can tell me better which year it was that the New Democratic Party assembled in convention, passed the resolution which I believe is at the bottom of what we're talking about here. And the Minister could, you know, could resolve this portion of the debate on his Estimates by just simply acknowledging that, is it not a fact, Mr. Minister, that your party, assembled in convention either '70 or '72 - I forget which particular year it was that the international company Beatrice Foods Limited took over the ownership of the Modern Dairies - that your party assembled in convention, passed the resolution calling for the Provincial Government, your government, you Mr. Minister, to enter directly into the business of processing and distribution of milk and related milk dairy products to offset the kind of intrusion which you took it to be on the part of the multi-national company in this sensitive area of food production, and this important area of food production. Now, Mr. Chairman, you know I would have a lot more respect for the Honourable Minister and for his government if he would not attempt to fence with us but attempt to tell us straightforwardly the position, whether or not he supports that position taken by his party, assembled in convention at that particular time, and whether or not this isn't the natural and understandable and logical result that stems from that action. I think from his point of view, and I'm prepared to accept it as being a responsible point of view, responsible to his party, responsible to the beliefs of his party, and a genuine attempt of carrying out the kind of grassroots, you know, policy development that particularly his party likes to impose on Ministers of the Crown from time to time, although the Ministers are careful as a rule to reject these resolutions passed in their conventions as definite policy - they accept them as policy guidelines, which I think is also a proper attitude for a Cabinet to take. But the fact of the matter is, Mr. Chairman, that I haven't got the actual resolution. I know the Minister could with the research and staff available to him undoubtedly bring that resolution to me in a very short time, put all this into substance in a form of a resolution. I can recall it made considerable, well not considerable, but it certainly made press notice at the time, that the New Democratic Party assembled in convention, passed the resolution in response to - this was at the time of the take-over by Beatrice Foods Limited of a major processor here in the city, namely Modern Dairies. And this was a legitimate, you know, kind of reaction I think on the part of my friends opposite, and I think what we're seeing is, you know, a deliberate action on the part of this government to respond to that resolution.

Now, Mr. Chairman, you know the debate could be more straightforward, it could be more meaningful, it could be more honest, if the Honourable Minister and the government would simply indicate that what they're doing is carrying out in essence the purport of that resolution urged upon them by their party. Furthermore I see in this whole direction as you know, and I repeat what I said earlier as a more tangible, you know, matter that was referred to in the Throne Speech that indicated that the MDC, the Development Corporation and the

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(MR. ENNS cont'd) . . . . government would no longer just look to those areas of loaning money to, or getting equity, or getting into the business community, as a matter of last resort, as a lender of last resort, but no they would be looking at those profitable areas of existing business where they've thought they had a legitimate interest and right to enter into. And I think that's what we're having here. You know, the dairy business is not in difficulty. The dairy business has, although I don't think it can by any stretch of the imagination be one that enjoys unconscionable profit levels. I think the mere fact that the Minister already indicated to us that the whole dairy industry to a large extent already operates under a considerable amount of constraint and control and regulation by various government agencies. But nonetheless the industry is healthy and surviving here in this province. And this government, partly because of their intent, as indicated by the Throne Speech, now wants to move more aggressively into areas of business and not just pick up the pieces of disaster that they have up to now by and large been forced to do.

And secondly, on very straightforward philosophical grounds, and the response to the urgings of their party members, who are chagrined at the suggestion that a multi-national corporation should gain an important area of control or toe-hold in this, what they consider and I consider to be of vital importance to consumers and producers in our province, they're saying that we are going to offset this, we are going to move in directly. What I am also saying of course is that the Minister has chosen an ideal, you know, industry to move into. They do have most of the reins in their hands through the Milk Control Board, through the Producers Marketing Board, and they can in this particular extreme move perhaps you know more directly, and more effectively into this area. The question that hasn't been answered to anybody's satisfaction is what is the ultimate results of this kind of an action. And I think that was at the root of the question that the Honourable Member from Riel was asking the Honourable Minister where is the logic, where is the rationale that a Crown corporation can in this case perform the functions any better, any more efficiently with any more benefits flowing either to the primary producer or to the consumer in the matter of processing milk and dairy products and why? To suggest that the private sector has not come up with a master plan that will cover all of the whey by-products in the Province of Manitoba is of course just another one of those herrings that he draws across the path.

It has already been suggested to him by numerous speakers that different individual and smaller operations have found different ways of using that product, and no longer having the problems that originally brought us into this matter, the pollution problems that you spoke of.

The fact has also been indicated that a major portion of the whey produced in the province can be handled by the private sector, and indeed if there was any disposition on the part of the government, perhaps all of it, I mean, before we embrace a massive Crown corporation to handle this vexatious problem, if the Minister wants to look at it that way, that has the Minister looked at all at helping the present industry in handling that problem? Has the Minister thought at all in terms of perhaps if it meant transportation subsidy allowances, and things like that, to help the private sector with this problem?--(Interjection)--Well, you know, there it is. I'm just trying to make the Minister come out a little bit more honest on this side of the debate. The fact of the matter is, Mr. Minister, you want to get into the dairy business.

A MEMBER: That's right.

MR. ENNS: And you know if I was sitting in your shoes, if I were the Minister of Agriculture for the New Democratic Party, I believe I would be, I would have been in it by now. Having been encouraged, having been instructed by my party to do so, having had the ugly giant of a multi-national corporation entering into the province to spur me on to do so, I think that damned plant would have been built by now. But I think I also would have told the people of Manitoba why I was building it, because I was a Socialist and I believed that it was best this kind of an operation should be in the hands of the people. But that's not the kind of straightforward talk that we get from this Minister whether it's with respect to land, or with respect to their entering into this business right now.

He talks about political expediency, Mr. Speaker, Mr. Chairman. The reason why he is playing footsie-wootsie with us on this question right now is because he recognizes, he recognizes that there is, you know, some question of politics involved here, that it will be not so easy to disguise this move by this government into business as coming under that heading of rescuing a sinking ship or as a lender of last resort or as trying to do something with a

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(MR. ENNS cont'd) . . . . situation they didn't create, such as the abandonment of the Gimli by the Federal Government and then trying to do something to help and create an employment situation there. No, this is a very straightforward naked thrust on the part of my socialist friends opposite to get into business.

And, Mr. Chairman, with those few remarks, you know, in recalling - and I wish I had the specific resolution that I referred to, I know with a bit more research, maybe on the part of myself or on the part of the Minister, on the part of the media, that resolution is on record somewhere as having been passed. And I suspect that what we've talked about up to now really is, you know, the response by this Minister and this government, to that resolution. My only regret, Mr. Chairman, is that the Minister has to date, up to now, has not really had the fortitude or the guts to talk about it in these straightforward terms. Now I know that he believes that this should be handled by government and should be handled by the creation of a Crown corporation. I believe he has committed himself to it totally. His concern is how he can handle it as politically expeditiously as possible. And you know, Mr. Chairman, we get accused on this side, you know, of maybe exaggerations or of missing . . . shooting with a shotgun instead of with a rifle to be more specific on our points, the difficulty of course being, Mr. Chairman, is that the Minister has chosen not to . . . and this government by and large has chosen not to declare and not to indicate in any forthright manner their real intentions in so many of the matters. Now in this particular instance I, you know, I think the background is clear. The Minister is responding to a request by his party. I just can't understand why the Minister feels somewhat ashamed of what his party passes in resolution form and why the Minister can't defend, quite frankly, his interest in the dairy business on that basis that was discussed by his party two or three years ago.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, we had a very interesting demonstration here on the part of the Member for Lakeside. He knows very well that party policy as established through convention is something that government must pay attention to. But notwithstanding that, it must also appreciate that they have a duty beyond their own political party that they have to be able to relate to the wishes of the people of the province as a whole, and quite often conventions in any political stream stray far into the future as to what may or may not or should or should not be done, and are not researched by and large. Ideas that are presented at conventions are not ideas that are based on a lot of in-depth research, they are simply ideas for the consideration of the instrument in power, and at that stage is where you would want to then develop some studies and proceed in that way. So certainly one has to take a resolution of a political party just as to its value. It's an idea put forward for consideration, and no more.

Now with respect to the other point that the Member for Lakeside raises, and again I say it's a second time this afternoon where the Conservative opposition has demonstrated that they are not really the sort of free enterprisers that they seem to claim they are. You know, the Member for Lakeside now suggests that what we should do is get into a subsidy program to facilitate the processing of whey in this province, a subsidy to the private sector. Well I can tell my friend for Lakeside that I would never be in a position personally to recommend that the greatest dairy empire in the world should be subsidized.--(Interjections)--Mr. Chairman, I would never be in that position.

Furthermore, and my honourable friend suggested I should be candid - and I'm prepared to be candid on the whole question of dairy policy - I believe that it is not good policy to have all of the dairy industry in the hands of one individual or one corporation. And therefore if we were to consider an application for plant expansion, whether it be for the disposal of whey or whether it be for additional plant capacity or whatever it was, that I would be much more receptive to a proposition that the producers of milk in Manitoba be the expanding agency in the processing field, as opposed to the large international conglomerate that we now have as the giant in this province's dairy industry. I make no bones about that one, Mr. Chairman. My preference would be to support the interests of the milk producers of this province. And if the Milk Producers Marketing Board were able to suggest that they would like to participate in a much broader way in the dairy industry of this province, that they would want to extend into the processing field, I would be very pleased to give them all the consideration that would be possible from government's point of view, as opposed to giving continued support and favoured treatment to a giant that does not need to get any larger than he already is. I have no

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(MR. USKIW cont'd) . . . . compunction to stating that, Mr. Chairman, I'm very open about that question. I know that the managers of Modern Dairies in Manitoba know my views on this point, they're not shocked to learn of those views. You know, that's right, nothing shocks them. I believe in placing more power in the hands of more people. And you do that, you do that one way at least through allowing the producers of milk in this province to expand their operation beyond the mere production of the product, but into the processing field as well. And this has been done in many parts of Canada, North America and the world over.

The Member for Radisson just presented me with a button, I think it's something that the Tories usually like to wear, it's called "Freedom Now". I think that the way in which we can give more freedom to more people is to give more control to more people rather than to those privileged few that already have too much control as it is. And I have no hesitation in making that statement, that is where my philosophy lies, that's no secret. People control is the ultimate position, the ultimate position. So, I always believed that government was people controlled until I found out that members opposite tried to indicate to the people of Manitoba that they should be very afraid of government, that government is a big enemy somewhere. Wherein government and the people should be one and the same thing, and we should be working towards that goal where government and people are one. People are not the enemy of government nor is government the enemy of the people. It certainly shouldn't be in a democratic society. So my friends opposite, my friends opposite have a lot of tall explaining to do when they put the proposition that the government is not the people. That is why we have the choice of the people determined, at least every four years in this province, and surely members opposite would want the elected representatives to reflect the opinion of the people who have elected them on that particular day. I don't think that we would want to function in any other way. But I am amazed and annoyed quite frankly, that that for some reason members of the Conservative party like to convey the message to the people in Manitoba that governments traditionally are the enemy of the people. That is nonsense. That was the case many many years ago, many many years ago, and we have to go into the centuries to . . . well, in some parts of the world it still is the case quite frankly, in some parts of the world it still is the case, you know. But I think we have to guard our position very jealously, that people have a right to determine the government of the day, and when they do that, the government and the people should be one, it should be one. And the members of the opposition have to accept the fact that the people of a province or a country have made a decision and they have to live with that decision until it is a different decision at another time. And so whatever governments do from time to time, it is in keeping with the trust that has been given to them by the people of the land, and that is the way one must proceed, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Thank you, Mr. Chairman. I was just fascinated by the Minister's philosophical approach to the position of his government and the way in which all of the people are properly dealt with and receive equal treatment by the government, which really has their interest at heart. And I didn't want to lose this general topic of dairying in the province to sort of develop the theme that the Minister has introduced. I understand that the Minister of Agriculture took over a dairy herd that belonged to the Province of Manitoba, that used to be out at Headingley. I think the Minister of Corrections had this dairy herd and he turned it over to the Minister of Agriculture. Now I wonder if the Minister of Agriculture could tell the House what was done with that herd of purebred Holstein cattle that we had out there.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I'm advised by my deputy that the herd was sold to a number of farmers who are participating in the farm diversification program. That's the information that I have.

MR. MCGILL: Mr. Chairman, I'm interested to hear that. I think that there have been some purebred dairy herds disposed of in the past by the Government of Manitoba, and this has I think always been done by public auction so that all of the people have an equal chance under the government of the day. Now this herd I believe, Mr. Chairman, was of purebred stock and was of great interest to people with dairy herds in the Province of Manitoba

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(MR. MCGILL cont'd) . . . . who would have liked to have used those bloodlines to improve their herds. Now had the people who were given the opportunity to buy these dairy cattle, are they in the dairy business, or will simply these bloodlines be disposed of in a way that really they won't be of general and lasting benefit to the dairy business in Manitoba?

MR. USKIW: Well, Mr. Chairman, I could get all of the details for my honourable friend, but I am told that they have been sold to dairy farmers in Manitoba.

MR. MCGILL: I wonder if the Minister could tell us how the pricing was done on this. If it was not done at public auction, who put the prices on the animals that were disposed of, and what it done with regard to their bloodlines as purebred Holsteins or merely as ordinary dairy cattle? Can he tell us how the prices were established for the disposal of this herd?

MR. USKIW: Well, Mr. Chairman, I'll have to take that question as notice and come back later on today hopefully with the information.

MR. MCGILL: I wonder if when the Minister is getting this information for us, he could tell us how many animals there were in that herd and whether the prices were established by some person who was expert in the field, and if so, were the prices that were established used without exception for the disposal of the herd. Mr. Chairman, I think we would appreciate having as much information as we can, because I'm sure those people who are in the dairy business and who would have been very anxious to use these purebred animals if they had been aware that they were for sale, would like to know and like to be assured that this disposal was done in a manner that was equitable, where all of the taxpayers of the province had an equal chance to participate in this valuable stock line. I'm told that the bloodlines were the best obtainable in the Holstein business and that these animals could have been used to perpetuate these lines. I'd like to be assured by the Minister that the disposal was done in a way that some advantage was taken to the care that had gone into the development of this herd over the years at Headingley.

MR. CHAIRMAN: Order please. In accordance with our House Rule 19(2) I am interrupting the proceedings of the committee for Private Members' Hour and shall return at 8:00 P.M. this evening.

Mr. Speaker, in accordance with Rule 19(2) of our House Rules, I am interrupting the proceedings of the Committee for Private Members' Hour and shall return at 8:00 P.M.

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PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. Private Members' Hour resolutions on Monday. Resolution 13. The Honourable Member for Portage la Prairie.

RESOLUTION NO. 13

MR. G. JOHNSTON: Mr. Speaker, I move, seconded by the Member for Fort Rouge; WHEREAS it is a long held precedent in the parliamentary system as practised in Canada that members of the Executive Council who hold a portfolio have a responsibility to answer for actions of omission or commission in the handling of his portfolio to the other members of the House; and

WHEREAS the second year in succession the Minister responsible for Autopac has by gross mismanagement of his department, caused Autopac to lose more millions; and

WHEREAS the Minister responsible for Autopac has announced that he intends to have legislation passed to increase gas taxes to help pay for the bungling and mismanagement of Autopac; and

WHEREAS all Manitobans are required to pay either taxes, premiums, penalty surcharges and increased costs of drivers' licenses;

THEREFORE BE IT RESOLVED that this House instruct the Minister responsible for Autopac to present a set of estimates for the examination by this House, during the current session.

RESOLUTION presented.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Well, Mr. Speaker, a similar resolution was presented to the House by myself last year, and the government after some debate gave us some reasons as to why it was not in the interest of the people or whatever, that it should be proceeded with and that the same purpose could be accomplished by examination of the Autopac General Manager and the Minister in committee. Now we've heard many times, and our friends opposite, the NDP party, like to tell us that Autopac is a company that belongs to the people, it's being administered by the government for the people and of course they are answerable to the people. Well, we saw last year's performance in committee where the General Manager of Autopac was not allowed to answer a question put by myself. The government used the force of their majority on the committee to stifle discussion and we know of course that committees are not a place where free debate can take place. We were reminded many times by the chairman of the committee at that particular date that we could only ask questions, we could not debate, and then certain questions that were embarrassing the Manager of Autopac didn't even . . . well, he tried to answer but he wasn't allowed to answer, he wasn't allowed to answer. So I'm telling my honourable friends opposite that if they really sincerely believe that this company does belong to the people, is being run for the good of the people, then they should answer in the House to the peoples' representatives.

I think that it was fairly evident in an admission made by the First Minister earlier this year, that the rates for Autopac were set in a political way. They were not set in an actuarial way, they were not set because the company was losing money in the previous year, they were set in the crassest political manner ever. And of course we all know the story. Just before the last election, rates were reduced. And I hope the Minister who's speaking from his seat now defending his portfolio, will speak in the House and defend it in a proper manner.

You know, Mr. Speaker, it was almost laughable, that the Minister for Autopac took two occasions during the Throne Speech debate to defend his department. Why doesn't he defend or explain his department in the normal manner? I ask him that. Instead of having to take part in the Throne Speech debate on two occasions. On other occasions he's making explanations during the Minister's period. At other times he's making explanations by way of press release when the House is sitting. You know . . .--(Interjection)-- well, the Member for Radisson says, "You're damned if you do, and you're damned if you don't." We're asking for responsibility. Let him be responsible to the House.

You know, Mr. Speaker, the Minister in one of his statements, I think it was a 16-page explanation as to why they put up the rates, informed the people of the province that there's going to be additional taxes put on the gas tax to help pay for the Autopac deficit. Well I suppose it's going to be another Minister that will introduce this, because it's not his department, I don't think. We have a sad situation when we have a Minister outside of the House telling

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(MR. G. JOHNSTON cont'd) . . . . the people that there's going to be additional taxes put on to help cover a deficit in a Crown corporation, yet he doesn't have to take any responsibility inside the House for that statement. Well, the Minister just said, "That's nonsense." I believe it's factual. Does any other member not think that's not factual, the statement I just made.

And an aside on the proposed two-cent gallon increase in gas tax to help cover the Autopac deficit, I believe the explanation was given by the Minister, again outside the House, that this was more fair, that it's placing a tax on the people who use their cars, and if they didn't use their cars much then they were less liable to get in an accident. Well then, perhaps the Minister might be inclined to carry that theory all the way and put a dollar extra per gallon tax on and make everybody keep the car in the garage because they can't afford to drive. It makes about as much sense to use that sort of an argument.

Anyways, Mr. Speaker, I am saying that the Board of Directors, who really are the Cabinet, because they set the rates, and the Minister who is responsible for Autopac, but not in the House, I'm suggesting that they give consideration to this resolution, that the Minister have to stand in his place, debate and defend his portfolio. I don't know how the Minister or any of his colleagues over there can take much comfort out of the second deficit in a row, the second deficit of Autopac. We now have a total deficit of 19.3 million, I believe it is. Yet when we read the annual report we see that they're investing money in investments. The Minister perhaps will be able to tell us what interest rate they're paying on the deficit and what interest they're receiving on their investments and whether or not he shouldn't consider using any extra premium income to pay off some of the deficits instead of trying to show something in his report where he has investments that are returning income to the Autopac company.

So, Mr. Speaker, I say again that it is not democratic, that we have the government put in a politically operated firm that's losing money by the millions, yet they don't have to answer in the House. They don't have to answer in the House. They say, oh yes, you can ask all the questions you wish in committee. Well I believe the people in the province want to know the answers through debate and they want the representatives to be able to debate with the Minister in the House, and not accept the answers that are supplied to questions in committee.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. I want to say a word at this time in support of the motion proposed by the Honourable Member for Portage la Prairie. There's no question about it that it has a good deal of merit, mainly from the point of view of getting things out into the open a little more than they have been up until now. I think the responsibility of the Minister holding that particular portfolio deserves some better way of having his actions or the actions of the Public Insurance Corporation scrutinized by members of the House, something a little more satisfactory than we have had in the past two years.

I have mentioned in remarks earlier that there's some question whether a Minister should be head of the corporation, but that may be all well and good if he is accountable to this House in a completely frank and open manner. It certainly should be a full time job, it's a large corporation, and I just doubt whether the Minister is spending enough time over there to make it a full time job, or whether it's being handled by other people involved that may or may not be doing the job that's required.

It was mentioned by the Member for Portage la Prairie that gross mismanagement has resulted in the loss of millions of dollars. Now, it's certainly mismanagement of some kind it would seem that the Corporation hasn't been able to right itself in a period of four years. Certainly we understand that there were problems in starting up and that was the answers we were given in the first couple of years, that these were growing pains or pains being experienced by the company in finding their feet and finding their way in a relatively new venture. But I would have thought, Mr. Speaker, with the number of personnel that they brought in from the Saskatchewan Government Insurance offices that these problems would have been minimized and certainly after this period of time would have been overcome completely. But this doesn't seem to have been the case.

We see a loss of just under \$10 million again this year, and the accumulated deficit of nearly \$20 million has got to raise some questions and some alarm in the minds of the people in Manitoba. This can probably be corrected with some stern and drastic measures taken by the people in charge of that Corporation. Just what they might be, the Minister is probably in a better position to suggest, or he may have something in mind, and I hope that when he replies

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(MR. BLAKE cont'd) . . . . that he will give us a clear picture of just what the Corporation has in mind to overcome a deficit next year similar to the one we are experiencing this year. Because just a quick perusal of the financial statement and the information that has been provided to us to date, Mr. Speaker, it would indicate that we are heading for a substantial loss again next year when the statement is handed down. And that includes the proposed two cents per gallon tax on gasoline which I hope the members opposite and the Minister will have some second thoughts on before they make that a law of the land.

I mentioned the uncertainty in the minds of people in Manitoba, Mr. Speaker, and I want to emphasize that because there are many motorists in the province that are now questioning their coverage. They're wondering if they have sufficient coverage if they get into an accident, what little technical point is going to crop up that they hadn't thought of that's going to cause them problems with Autopac; and the Minister is well aware of a number of them I am sure that are cropping up in various claims that come to his attention.

This certainly brings into question the advertising that has been done by the Public Insurance Corporation, whether it has been effective, whether the money they have spent on advertising has been that useful, and whether their Public Relations Department has done a complete and capable job in providing the image that the company should have, that a corporation should have in the eyes of the motoring public; because every day there are more and more questions arising and there are more and more complaints coming to our attention and I am sure they are coming to the attention of the Minister, that should indicate to him that all is not well in the minds of those that are buying insurance from the Public Insurance Corporation.

One point in question is the proposed additional premium for those people being outside of the province for a period of 60 days. I don't think that the way that that is going to be handled is going to be satisfactory. We don't know what extra revenue it's going to bring in and should we discuss a set of estimates possibly some figures of this nature may be spelled out and we would have a better forum for discussing in detail some of the various aspects of the corporation. And failing a set of estimates coming down where we can discuss them clearly in the House, the committee, the Minister and the members of the corporation when they meet in committee, if they will be more open and more candid in their answers, possibly we can get the information that we're seeking. But this hasn't been the case up until now. And with another ten million dollar loss facing us in the statement that has just come down, and we didn't have a hailstorm last year, so we'll be looking for some direct answers and some satisfactory explanations of why the corporation is in the situation that it's in and for the solutions that they have to assure us that they're not going to lose five or ten million dollars again next year. Because the way costs in the repair business have gone up and are continually going up, and the increases that have been given to labour portions of the body shop work, it would lead me to believe in a fast perusal of last year's statement and judging by the increase in premium that has been applied this year, that it's certainly not adequate to break even and we'll be faced with another substantial loss again next year.

So, Mr. Speaker, in support of the resolution, I think it certainly has merit. If a set of spending estimates are brought down, we'll have ample opportunity to debate them and discuss them thoroughly and seek the answers to the questions that we propose in a full and open manner. That alone will clear up a great deal of uncertainty in the minds of the motoring public, because there's no question that it's there. I'm sure there's a great deal of unrest and waiting for the ax to fall and the announcement of the next rate increase by the Minister will be awaited with bated breath by the motorist to find out what it's going to cost him to drive on the highways next year.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Speaker, I thought maybe the Minister would get up and say a few words. He was so anxious, you know, when we were on the Throne Speech, you know, he couldn't sit down in his seat, he had to bob up every time he got a notion into his head, an idea, he was going to hit that Claude Irites down there on Donald Street, he was really going to pound him, he was going to pound the president of the Canadian Indemnity and show him a thing or two. But, you know, it's a strange world, you know, this is a strange world. You get uptight sometimes and you can't get out of your seat, and this is the occasion I think the Minister's in today. Experience is a great teacher, you know, you get up and you hit him and you then sock him down and then somebody hits you, and eventually you think that maybe the best idea is to sit

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(MR. McKELLAR cont'd) . . . . and say nothing. And I think the Minister's got that idea today. He says, I'm not going to say a thing, cause if I don't say a thing they can't come back, and we're going to vote this resolution down and we'll get on with the next resolution, and that's the way the game's played.

I saw the Minister of Mines and Natural Resources over there prompting him a little while ago, and I'm sure that's what he told him: sit in your seat, don't say a thing, we'll deal with that nine million when we get out of committee, and everything will quieten down, and the people of Manitoba, they won't be any wiser when the committee's all finished. I'm sure that's what the Minister told . . . And that's what'll happen, that's what'll happen. I'm sorry I'm not on that Public Utilities Committee, I'm sorry I'm not on that committee, because I will be there to ask a few questions, and I think the book says I can ask a few questions, but I'm not permitted to vote. I'd sure love to have the permission to vote, to reduce his salary from that great amount of money he's paid as chairman of the board, to reduce it down to One Dollar. Maybe I could do it in the House here, maybe I can do it here.

But, you know, Mr. Speaker, you know, if I was the Member for Radisson - and I forget all the men that are represented on the various boards here - he's representing Hydro, I guess the Member for Ste. Rose is on the Water Board, somebody else on the Telephone - oh yes, the Member for St. Vital - I'd be mad as the devil, I'd be really mad, because I think they are getting about three thousand a year. And lo and behold, chairman of the board of Autopac, \$15,600. How does he rate that? How does he rate it? I know he's good looking, I know he's young - just because you have turkeys isn't a reason, I'm sure of that. That can't be the reason. . . I don't know what reason.

And I never heard of the chairman of any board in any insurance company - and I'll bet you you could go to Great West Life or Monarch Life or any of them - or Wawanesa Mutual, any of them - I'll bet you they don't get no \$15,600 for being a chairman of the board. I know they don't. I know they don't. And I can tell you, I can tell you, the chairman of the board is the general manager, he's paid to be general manager. And I can tell you what he gets, he gets the same as the rest of us. That's an actual fact, that's an actual fact. He maybe gets a thousand dollars more than I do, but that's the facts of life. I don't know what - the Member here for Riel can tell you maybe what his . . . he'll tell you the same thing. The Chairman of the Board doesn't get anything, anything like what we're talking about here.

And I tell you another thing, Mr. . . . the records, the records of this corporation here, the people's corporation, the people's republic of Manitoba, I tell you it's nothing to be proud of, it sure is nothing to be proud of. We were told, we are going to be the saviors of the people . . . we are going to save everybody 15 percent. --(Interjection)-- I don't know if you said it or not. The Premier said it, the Premier said it, and I wish that Premier of Manitoba was in here right now because I got a lesson to give to him, some day when I can catch him in here too. Because he's the author, along with the Attorney-General, they're the authors of this great master plan. And I tell you, you've got to listen for a minute or two, too, because a lot of your statements that you mentioned here in the House are coming home to haunt you, coming home to haunt you, and they're costing the people of the Province of Manitoba a lot of dollars, a lot of dollars that we were told would never happen.

We were told that there wouldn't be no need for advertising, that the private companies were advertising, there was no need to do it. How much advertising is done today and what kind of advertising are you putting out? Mr. Speaker, the most misleading advertising that any corporation - it's only governments could get away with it, it's only governments could get away with this type of advertising. Every other person would be sued, every other corporation could be sued, every other company would be sued if they put out that misleading advertising.

My God, Mr. Minister, when I opened my renewal for my . . . my God I couldn't believe my eyes, when I read that great big long . . . and all that misleading information. Since when did you have to tear everybody else to pieces to sell your own products? You operate just the same in your advertising as you operate when you make a speech. You can't tell anything good, you haven't got anything good to tell about yourself, all you do is tear the other fellow to pieces. That's what you did in your advertising. They told us they didn't need to advertise. It's compulsory, everybody's got to buy it, everybody's got to pay for it, so what's he going to sell, what have you got to sell, --(Interjection)-- everybody's got to buy it, you can't get on the road unless you buy it. So here, lo and behold, more money spent on advertising. I don't know

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(MR. McKELLAR cont'd) . . . . how much here. I didn't get around to that. Another thing is, Mr. Speaker, what always bothered me. I had bad debts in my agency and I accepted them because every agency has to accept. So you got to pay cash today. So what did we have last year for bad debts?

A MEMBER: What?

MR. McKELLAR: \$194,000.00. What did we have last year? \$32,000.00 of bad debts. I can't see for the life of me how that many bad cheques can come before a corporation. And if you did, you cancel them the day you receive the bad cheques. That's when you do. There should be no lost money. The man goes off the road the day you receive a bad cheque. That's the way you handle it. I don't know for the life of me how you accumulated \$32 thousand of bad debts. And I don't know whether you collected any of that 194,000 last year. I'd like to know that question, too, and if I don't receive it here I hope to receive it over there, Room 254.

Mr. Speaker, this always amazes me, always amazes me, the philosophy of this bunch across the way. They're always going to correct the problem. But one by one, A, I, and right down the line to agriculture, and including Autopac, one by one, all you do is mess it up. And I pity the members of the next government that take over from you, because my gosh I don't know where they're going to start. I don't know where they'd start. One by one you're going to get everything nationalized. Where does the next government start? They got a problem. And I tell you you're going to be replaced, you are, as sure as I'm standing here on my feet today, you'll be replaced.

I want to speak a little on premium increases. My God since when did the government - they say they compare. I'd like to see the insurance company that had a share of the demerit points. I'd like to see one of the private companies who had a share in demerit points in the past. Not one. They didn't have any right to touch demerit points. Not one, and millions of dollars being collected today.

And the thing that bothers me about demerit points, Mr. Speaker, is in the liquor inspector's report, as mentioned by some members here in opposition, 90 percent of the money is collected in the rural areas. So what's that mean? All those people that were charged for impaired driving in the rural areas all have 10 demerit points or greater; of which they have to pay you \$150 more. Now what about all the drunken drivers in the City of Winnipeg? Are they not going to be charged from now on?

And I say to the Attorney-General, are you not going to see that the same law enforcement is carried on in the City of Winnipeg as out in the rural? Because I bet you that every night when every hotel closes, whether it's 12, 1 or 2 o'clock in the morning, that you could pick up any driver most of them in the City of Winnipeg, you'd pick up a lot of them. And yet only 10 percent of the drivers in the City of Winnipeg are picked up, 10 percent compared with 90 percent in the rural areas. Now if that isn't a surcharge on rural Manitoba I don't know what is. It's a surcharge on rural Manitoba. And I tell you, I tell you it's not right, it's not right. I tell you something has to be done about this, and I know.

Now let's look at the two-cent gas tax that you're going to find in the Province of Manitoba. The city people put in one tank of gas a week, I would imagine, to go to and from work - one tank full of gas. Out in the country you burn at least three - three tanks full of gas in a week. You've got to go out for farm repairs. You got to go maybe here, there and everywhere. Do your banking, do your business. --(Interjection)-- Yes. And yet the Minister says that it's justice - justice is being prevailed here on this two-cent gas tax. I'll tell you again who's going to pay for it. It's the rural people in the Province of Manitoba that's going to pay for it.

A MEMBER: Right.

MR. McKELLAR: The rural people are going to pay for the majority of this two-cent tax . . .

MR. SPEAKER: Order please.

MR. McKELLAR: . . . and yet he says, justice prevails, that the Autopac Corporation are doing their job. They're doing their job all right. They're doing their job. They're really taxing the people in rural Manitoba, and you've got to tell the people why you're putting this on because nobody yet really understands what you're trying to do to them. I tell you, they'll understand a year from now, they really will.

Mr. Speaker, I've made many speeches on Autopac and I don't have to make many more

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(MR. McKELLAR cont'd) . . . . because I know that you're not going to listen anyway. But I want to get back to the \$15,600, and no estimates, no estimates to deal with. Sure I know he hasn't got an office. He hasn't got a Deputy Minister. He hasn't got an executive assistant. He hasn't got a secretary, I don't suppose, I really don't know whether he's got one or not. Maybe he has. But I'd like to know why anybody should be paid \$15,600 with no department, no estimates, all he is is Chairman of the Board. He doesn't direct the company. He doesn't have to direct the company. The general-manager down there, Mr. Dutton in the Bank of Montreal, on the 21st floor, or whatever it is up there is the man that runs the company. And if Mr. Dutton doesn't do his job the Chairman of the Board and the Board of Directors fire him.

A MEMBER: Right.

MR. McKELLAR: That's the way corporations are run. If you were a General-Manager and also Chairman of the Board then I'd say you'd be worth a lot more than \$15,600, if you did your job right. But you're not, you're just Chairman of the Board, supervising all the administrative people including the general-manager, seeing the job is done. And I know who should be fired, Mr. Speaker, this is the one that bothers me, somebody should be fired, somebody should be fired here right today. If anybody brought in a statement here carrying nearly \$10 million two years in a row, somebody should be fired. And I tell you I don't know who should be fired over there. Somebody's responsible. Sure they're misleading. They told the people a lot of untruths in the last four years, a lot of untruths which are coming home to haunt everybody. We're doing everything we can, everything we can, here right today, this government is, to disrupt the whole economy in the Province of Manitoba.

And then the Minister of Agriculture gets up today and he says "We're making things better for the dairy people." Well, I tell you, you don't have to tell me what happened here. He don't have to tell me what happened to me, I was one of those people that was in business. Then they come along, Mr. Speaker, and then they say, "Well, there's no companies left in the general insurance business." Well, who chased them out of the province? Who chased them out? You very same people over there chased them out. You did. So now we got to bring in a general insurance company to lose more money just to help the cause. Well I tell you, if you had let things well enough alone and regulated the premiums, did a little bit of regulation - maybe we should have done that before we left office. But that's all you had to do. --(Interjection)--Did what they're doing down in New Brunswick - followed Mr. Hatfield's line of thought. And I tell you, I tell you you would have accomplished a lot more.

I'll tell you what's going to happen this year. I'll bet you anything there's another \$10 million in this coming year, I know there is. I know this. What happens when you've got to pay 53 percent more for your employees, in the employees' agreement, what happens then? That's going to raise your costs up. The body shops will want more. Everybody will want more and you're caught in a vicious circle. You're caught in a vicious circle. And I tell you, you got a tiger by the tail then that you can't handle either. And I tell you this is going to happen. It's going to happen, and I tell you there will never be a day where you'll ever be in the black, never be a day. Because they don't know how to run a company, they don't know how to run it. Simple fact of life. And I tell you, I'll take Claude Trites and I'll take the - I don't know who the president - Canadian Indemnity - and I'll take the president of Portage Mutual, and I tell you those men spent a lifetime in the insurance industry, and I tell you they . . . I'll tell you a few facts of life too, I'll tell you a few facts of life too, the member back there for St. Matthews, because he should have stayed at school teaching instead of coming in here . . .

A MEMBER: That would have accomplished a lot more.

MR. McKELLAR: I don't know, maybe the teaching industry would have been worse off, too. But anyway, I tell you, those men in the insurance business, Mr. Brown of Portage Mutual, Mr. Trites, Wawanesa, you know those men have spent a lifetime, and yet three years they write Mr. Trites a letter --(Interjection)-- you're damn right, they write him a letter telling him all about insurance. Instant experts, instant experts in the insurance business. --(Interjection)-- I tell you, Mr. Speaker, as long as I'm standing here I know who I'm going to support, and it won't be the Minister of Autopac anyway.

MR. SPEAKER: The Honourable Minister in charge of Autopac.

MR. URUSKI: Thank you, Mr. Speaker. I see the Honourable Member for Souris-Killarney coaxed me into rising to speak in the debate of this resolution. My honourable colleague has asked me to relay a question to the Member for Souris-Killarney and the Member

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(MR. URUSKI cont'd) . . . . for Riel, because I think they're on the Board of Directors, as to why the premium dollar to the policyholders of the general insurance companies are used to fight the Manitoba Public Insurance Corporation in - anyone who has general insurance funds.

But, Mr. Speaker, I will . . .

MR. SPEAKER: Order please.

MR. URUSKI: I know the honourable members want to debate the estimates of my ministry and my portfolio, and surely even the Member from Souris-Killarney admitted that my salary is covered under executive council, that it's there and that I do not receive any moneys as chairman of the board in addition to my executive council as he is - I don't know whether he tried to indicate that if I was the general-manager of the corporation I would be paid more - that's true. Probably the general-manager of Wawanesa makes more than \$15 thousand a year. I would think that - I would think that with the . . . Well, they would make much more. Well whether he is worth it or not is another matter, because they indicate that if we have lost money every year that there must be mismanagement in this corporation. The Honourable Member from Minnedosa said that mismanagement has created the losses. Well I want to ask him what mismanagement is there in the private companies across Canada who have shown a half a billion dollar deficit in the last five or six years, what kind of mismanagement is in those companies? In auto insurance and general insurance?

MR. SPEAKER: Order, please.

MR. URUSKI: But, Mr. Speaker, but the Leader of the Opposition last session got up and said that, "Look, the private companies made money if you included their investment and income, they made money." Well if they made money, Mr. Speaker, why did they want general increases totalling up in the, from 40 to 60 percent in the last four years. Why did they increase the premiums 18 percent last July, a further 10 percent in January of this year, and another one - sure - sure as we're standing here that they will increase again in July of next year, because - because of the deficit positions that they have found themselves in.

I don't know whether the members of the opposition want to get together in caucus as to which way they shall go in the premiums because you hear the Member from Minnedosa saying that there isn't enough premium income, the premiums should have been raised higher because we can have lower premiums but have huge deficits, while the Member from Souris-Killarney says, "When I got my premium notice I never saw such a high premium increase." Mr. Speaker, the member knows very well, the member knows very well that if his business employment is as an MLA and no other business, if he's conducting other business then he takes it, but as an MLA - in fact his colleague, the Member from Morris phoned my office prior to the session and asked me whether or not MLA's would have to be covered under business insurance. His own colleague phoned, and the Member from Radisson phoned, and I sent it to my legal people and we checked whether or not MLA's would have to be covered as business insurance. My legal department advised me that by the regulations they would not require business insurance in the course of their duties as MLA's. However, if they have other business arrangements and business connections, that's another matter, that would not have to. . . and I don't know what area the Member from Souris-Killarney is talking about. --(Interjection)-- Mr. Speaker, the Member from Souris-Killarney indicates that the rural people are going to pay the brunt of the gasoline tax in the funding of the insurance premiums.

Again, I would say to him that he should get together with his colleague the Member for St. James, because the Member for St. James last week got up and indicated that it's the people of the City of Winnipeg that will be subsidizing Autopac in this gasoline tax. Now we have the Member from Souris- --(Interjection)-- that's the urban story. Now we get the rural story from the Honourable Member from Souris-Killarney indicating that it's the rural people.

Mr. Speaker, surely the honourable member realizes - either they don't talk to each other - the urban members don't talk to the rural members - surely the Member from Souris-Killarney must realize that there is a premium differential in the territories and the exposure between the City of Winnipeg and the rural areas.

Additionally, I want the member to tell me whether or not the farmers who go for vehicle repairs drive as much as they do, because surely if they are driving their cars then they are driving more than was indicated in the public hearings about the rural people driving so much, that they should be paying - he's indicating that they are paying more - they came and they said they don't drive that much, they use their cars only on Sundays. Now if they are driving that

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(MR. URUSKI cont'd) . . . . much then surely he should caucus with the Honourable Member for St. James and tell him that, "Look the rural people who have their cars just use them most of the time." But if they use their trucks, Mr. Speaker, if they use their half-ton farm vehicles what gasoline premium tax do they pay, Mr. Speaker? Not one penny. They don't, they don't, Mr. Speaker. They're farmers, so they are going to be bearing the brunt of the insurance premiums. What a bunch of nonsense, Mr. Speaker. What a bunch of nonsense. He knows that the two-cent premium . . . the Honourable Member from Portage la Prairie indicated why don't we finance it entirely. In fact, Mr. Speaker, I would welcome to see a total financing of insurance premiums from gasoline. You would eliminate the entire administrative structure of licensing and insurance premiums.

Mr. Speaker, at today's cost, and I just did a rough calculation, it would indicate that we would require approximately twenty odd cents of gasoline tax to finance the approximately \$70 million worth of premiums. Two cents brings in roughly \$7 million on gasoline and motive fuel; to bring that amount of premiums it would require 20 cents on the premium. And, Mr. Speaker, that amount of gasoline charge of 20 cents will be there probably within a year and there will be very little premium charge or insurance premium on that charge. The oil companies will as sure as I'm standing here will increase those costs of gasoline regardless whether or not there is any portion of that on the insurance premium. So we will pay that irrespective of whether it's covered in insurance or through some other form of cost.

--(Interjection)--

Mr. Speaker, the Honourable Member from Souris-Killarney raised an issue and the Honourable Member from Lakeside just hit on a point. He indicated that the premiums should have been regulated. Well, Mr. Speaker, during the debate, I mentioned it once before, but I just can't hesitate but to repeat it again, because the members opposite have indicated that the premiums should have been regulated. Well, what is going on in Alberta? They've also indicated that, look we print rate books but really they don't mean anything. You can go around the corner and get a discount from this guy or if you know a buddy in this agency he will give you a discount. So their rate books really don't mean what they're really printed.

--(Interjection)-- I can get it for you wholesale. Mr. Speaker, if there is so much fat built into those rate books that they can give the discounts or they really don't charge what they're saying, then how could the rate review board in Alberta grant them an 18 percent premium increase in July of last year, another 10 percent interim increase now in January. And they have already stated that that was just a stop-gap measure, that they will require a healthier or a much greater increase later on this year. If that's the rate review board they want, Mr. Speaker, they can keep that rate review board.

Mr. Speaker, the Manitoba Public Insurance Corporation increases its rates once a year, and has to live with those premium increases, where a private company can increase at any time of the year. We have to increase, Mr. Speaker, because of the ease and simplicity of the system that we have, a motorist can now tack off his coverage on his vehicle registration, send it in and he has his coverage handled in a very simple manner, and he does it once in a year. The gasoline premium, Mr. Speaker, I want to relate that to it. The motorist who drives more, I will keep repeating that because I don't think the honourable members like hearing that, that the motorist who drives more, who has a more expensive car, that is more expensive to repair if he is involved in an accident, or if it uses more gas, he will pay more, Mr. Speaker. It's almost a time payment plan. Pay as you drive, Mr. Speaker. That if you do not drive your car, if your car is in the garage, you're not paying for it.

Mr. Speaker, the members opposite, if they want to debate my estimates, they will have an opportunity to debate under the Executive Council, Mr. Speaker. The Annual Report of the Manitoba Public Insurance Corporation will come to committee as it did last year, and if the Honourable Member from Portage la Prairie has any questions, if he wants to ask them, he can ask them. If he doesn't like the answers well, Mr. Speaker, I really can't help that, if he doesn't like the answers to the questions he poses, because I don't intend to please the Member for Portage la Prairie by the answers that he might want to receive if he doesn't get them from me. Mr. Speaker, the motorists of Manitoba have . . . he has indicated that the motorists of Manitoba have a publicly operated corporation that is responsible to them. It is responsible to them, Mr. Speaker. It is a motorists fund. The fund that the motorists pay into is only as good as the number of accidents and the cost of accidents as will accumulate in the course of a year.

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(MR. URUSKI cont'd)

Mr. Speaker, it looks like the honourable members don't like to hear answers to questions that they pose or arguments that they make, they prefer to hang their hats on a philosophical argument of the private system can do better than the public, even though when you point out . . . and even liberal provinces like Quebec have indicated that the cost of operating a scheme in Manitoba is less expensive and more efficient than the private system, the private antiquated system in Quebec. It wasn't our report, Mr. Speaker, it wasn't our report that said it. I think the Honourable Member from Portage la Prairie should have gone to Quebec and at least gotten a copy. I think I . . . if he wants to loan it for awhile, I did receive a copy of that, but I'm going to repeat it again, Mr. Speaker.

On Page 227 of the report of the committee of inquiry on automobile insurance . . . ended in 1974. The general conclusion, one of the sentences here . . . "but it does show clearly the cost of the Quebec system is excessive and that through their premiums those insured in Quebec are supporting a most inefficient insurance system," Mr. Speaker. Mr. Speaker, Page 227 of that report, Mr. Speaker, if the Honourable Member from Portage la Prairie wants to indicate to his colleagues or at least to read this report, he's welcome to have a copy. An excessive, Mr. Speaker, an excessive . . .--(Interjection)-- Mr. Speaker, pretty weak. Mr. Speaker, they say that this government has not lived up to its promise of savings of 15 to 20 percent. Mr. Speaker, the fact of the matter is when you indicate that the administrative costs of the private system are 40 cents, or approximately 40 percent, and you have a system under the Manitoba Public Insurance Corporation of 19 percent, what does that give you? Twenty-one percent. Mr. Speaker, 21 percent, and then they said you lose money. Mr. Speaker, they have already indicated that they will be in a deficit position of \$250 million, not for 10 years but for one year, Mr. Speaker, for 1974. Mr. Speaker, there must be, by the words of the Member from Minnedosa, there must be gross mismanagement in those private companies, that the heads should roll, Mr. Speaker. The members of the board of Portage Mutual and Wawanesa, they should fire that manager, the general manager of those companies. The general manager of Wawanesa should resign tomorrow and the board member from Riel should ask for his resignation because of the losses that they have encountered.

MR. McKELLAR: Mr. Chairman, may I ask the Minister a question?

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Did he read the annual report of the Portage Mutual where they showed a profit this year? Did he read that? Did he realize that? I hope he read the annual statement. They made a profit, Mr. Speaker.

MR. SPEAKER: Order please. The Honourable Minister has five minutes.

MR. URUSKI: Mr. Speaker, when the general-manager of Portage Mutual came before committee last session, I recall this very well, and he indicated that if a private company lost money, and his company was losing money last year, that they had to go out of the extension business in automobile insurance. Likewise with the Wawanesa Company. When they wanted competition in the extension field they said we want to compete, and even when the public corporation paid for all the adjusting fees and the cost of adjusting the claims, they still got out of the extension field and they wanted to compete, Mr. Speaker. Then they indicate we want competition in the private automobile insurance field.

Mr. Speaker, the Honourable Member from Souris-Killarney wanted to deal with demerit points and surcharges. Let's just have a look at the system that Manitoba has in dealing with its bad drivers and versus the private system. Today, Mr. Speaker, or just last week, the Attorney-General brought a bill into this House. Why, Mr. Speaker? For motorists who could not be insured under the private system in this province prior to Autopac. What did we have to do? We had to pump in \$200,000, Mr. Speaker, to prop up a system which would not insure motorists and pay into from the entire consolidated revenue. That's the system that the Honourable Member from Souris-Killarney is advocating. That's the subsidy that they are talking about from the Treasury. But it's not to the Public Corporation, Mr. Speaker, it's to the private system that they are talking about.

Now let's look at some of the surcharges; that if a motorist today is convicted in court and receives demerit points, he pays an additional insurance premium on his driver's licence. It is based on the convictions, not of the supposed risk that he may cause like . . . well let's look at the young drivers, Mr. Speaker. Like the young driver under the private system. If a

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(MR. URUSKI cont'd) . . . . young driver was to go into insuring his vehicle today, had no previous record, first time driver, was 18 years of age - why doesn't the honourable member indicate what kind of surcharges or risk that he portrays under the private system. He would pay in excess - if it's a two year old car, if he wanted coverage of collision and accident and death benefits, and comprehensive, he would pay in excess of \$800, Mr. Speaker. \$800, Mr. Speaker. What kind of a surcharge is that, Mr. Speaker? If that driver in Manitoba had no bad driving record then he would qualify for the normal rate. But what would happen in the Alberta system if he did have a few convictions? They wouldn't insure him, Mr. Speaker, they would send him to the facility. They would not even look at him, they would not provide him the coverage that he wanted, Mr. Speaker. At no cost, they just would not insure him. And that's why today we in Manitoba are still paying for the ills of the private system. We will be paying, Mr. Speaker, for the next probably 15 or 20 years, for motorists who have to pay back into a fund which the private companies would not cover. And from '71 on, Mr. Speaker, every motorist is insured. Those that are in breach, Mr. Speaker, will pay back to the corporation but the public treasury will not be subsidizing the system that was in effect, Mr. Speaker. The honourable members if they want to debate my salary they, . . . Mr. Speaker . . .

MR. SPEAKER: Order please. The honourable member state his matter of privilege.

MR. J. WALLY MCKENZIE (Roblin): Did I hear the Honourable Minister say that every motorist in the province was covered?

MR. USUAKI: Mr. Speaker, every motorist in the province unless he is in breach of his policy is covered, Mr. Speaker. The honourable member would not tell me if he was involved in a motor vehicle accident in which he was impaired and subsequently convicted, convicted, Mr. Speaker, of being impaired, not just alleged to be impaired; because if he was convicted of being impaired then he would be in breach of his policy. But if he was not convicted, Mr. Speaker, in court, and he'd have his day in court, he would be covered. So that it is only through convictions in a case of breach, Mr. Speaker.

If the honourable members want to debate my estimates, they are there, Mr. Speaker, under the Executive Council, there are some costs which I bear under the Motor Vehicle Branch in the Department of Highways Estimates. I think if you look at the parliamentary record about ministers responsible for any corporation . . . does the Minister for Hydro bring in the estimates of Hydro into this House? No he doesn't. Does any minister in the federal house dealing with Crown corporations bring in estimates for those corporations? He doesn't. I know that the honourable member just really wants to debate the issue of Autopac and the insurance corporation and I am pleased that he has done so but he shouldn't use it through the guise of bringing in estimates. He knows he has other avenues of debate that he can handle, and there are many resolutions in which he can debate. So if this was the avenue just to debate it, he has the avenue. Thank you.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, in the brief time that's left here I would like to make a few points on this resolution. Mr. Speaker, it seems to me when Autopac was brought into this province it was brought in for a number of pretty clear reasons by the government, by their own rationalization. But one of them at that time was not because other companies were losing money, it was because other companies apparently in their minds were making too much money. And we see a strange rationalization going on here now, complaining about the fact that other companies are losing money, therefore, Autopac is a good guy because of this.

Mr. Speaker, the most important point the Minister made, I think, in his speech here was that Autopac raises the price once a year and lives with them, and lives with them or lives with it. Well, Mr. Speaker, that is exactly the problem. Autopac does not live with the premium it raises once a year and hasn't lived with that since its existence began. We seen a pile up of \$10 million last year, \$10 million roughly the year before and we have no undertaking from the Minister that it's not going to lose another \$10 million in the current year. And that, of course, is what the Member for Portage is asking for, that these be brought forward before this House in the form of an estimate. Well, on the basis of experience, there is a pretty clear reason why there is some subject of doubt with regards to the performance of Autopac. But, Mr. Speaker, let's look at it in pretty basic terms. The government says that they're paying back 85 cents out of every dollar on Autopac, and they're selling themselves short, Mr. Speaker,

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(MR. CRAIK cont'd) . . . . because in fact, they're paying back more than 100 percent. And they seem to think they can go on indefinitely doing it. They simply shovel more money into the old pot, shovel it out through Autopac. The costs of automobile insurance in this province when they took over were roughly \$35 million, perhaps a little less. By the Minister's admission today - perhaps not admission but I think former speculation, it's around \$65 million, now he suggested today it's \$70 million. We've seen more than a doubling of the money spent on bent fenders in this province in four years. And they sit there and boast about how efficiently they can shovel that money out. And that's exactly where the problem lies. Can you say that the cost of fixing bent fenders in other parts of Canada where they haven't gone into this scheme have escalated at the rate of 100 percent every four years? Well, Mr. Speaker, in Manitoba it certainly has. And every member of this House has surely had the phone calls that are received about the violations that are taking place in this Autopac scheme. Settlements where they are getting twice as much as the job is worth. All sorts of things. These adjustment figures, the violations that are taking place, the actual set up, the system they're using breeds for the rip-off they're experiencing. And they are out of control. Whoever said it was mismanagement certainly has it pretty close to the mark. The fact of the matter is that they're efficiently spending out far more money than they should be spending. Nowhere else will you see an escalation of insurance costs total in a province in Canada that can escalate continuously at the rate of 25 percent a year. So what good is it? Well, Mr. Speaker, what good is it?

There's one more point I want to make, Mr. Speaker, a justification that was brought out for Autopac in the initial instance, and that is the excessive advertising costs the companies went through. Let us look at one unanswered, one unanswered advertisement among the hundreds of thousand of dollars put into it - one unanswered one with regard to what Autopac has done. And this is an excerpt of their brochure taken from a financial post clipping. The Financial Post said, "Manitoba saves an average of 15 percent under Autopac according to the annual report issued by the MPIC." Mr. Speaker, that wasn't good enough. To show the difficulty they were in, they cut it off and put a period at the end of Autopac, quoted Financial Post as saying that they had saved 15 percent in Manitoba. That's the kind of an outfit we're dealing with.

MR. SPEAKER: Order please. The supper hour having arrived, I am now leaving the Chair. The House will resume in Committee of Supply at 8:00 p. m.